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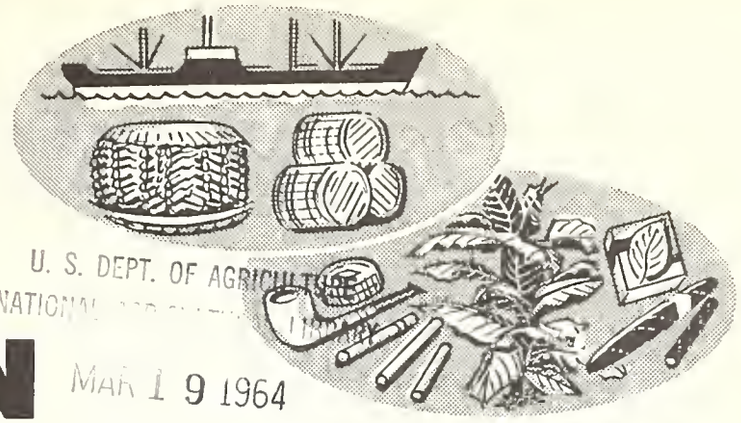
1964 OUTLOOK ISSUE

TOBACCO SITUATION



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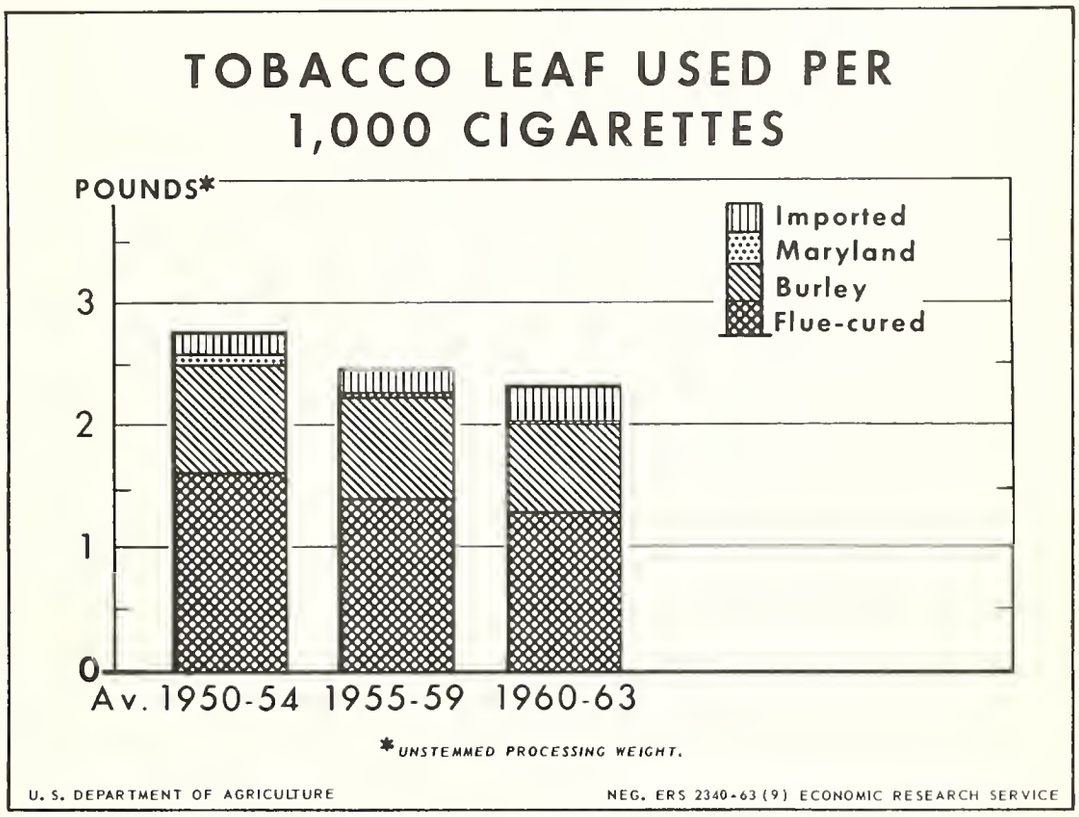
While the number of cigarettes manufactured has risen appreciably in the past decade, the quantity of unstemmed tobacco leaf used for making them has declined. This resulted mainly from (1) technological developments which made possible the use of a substantial part of the midribs of leaves (stems) and small fragments or particles of tobacco, and (2) the decrease in the size of the tobacco column of cigarettes with filter tips as compared with all-tobacco cigarettes which were predominant in the early 1950's. (For data depicted in chart, see table 5.)



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Tobacco Used for Cigarettes
Exports - Foreign Production - Imports
Leaf Supplies and Use

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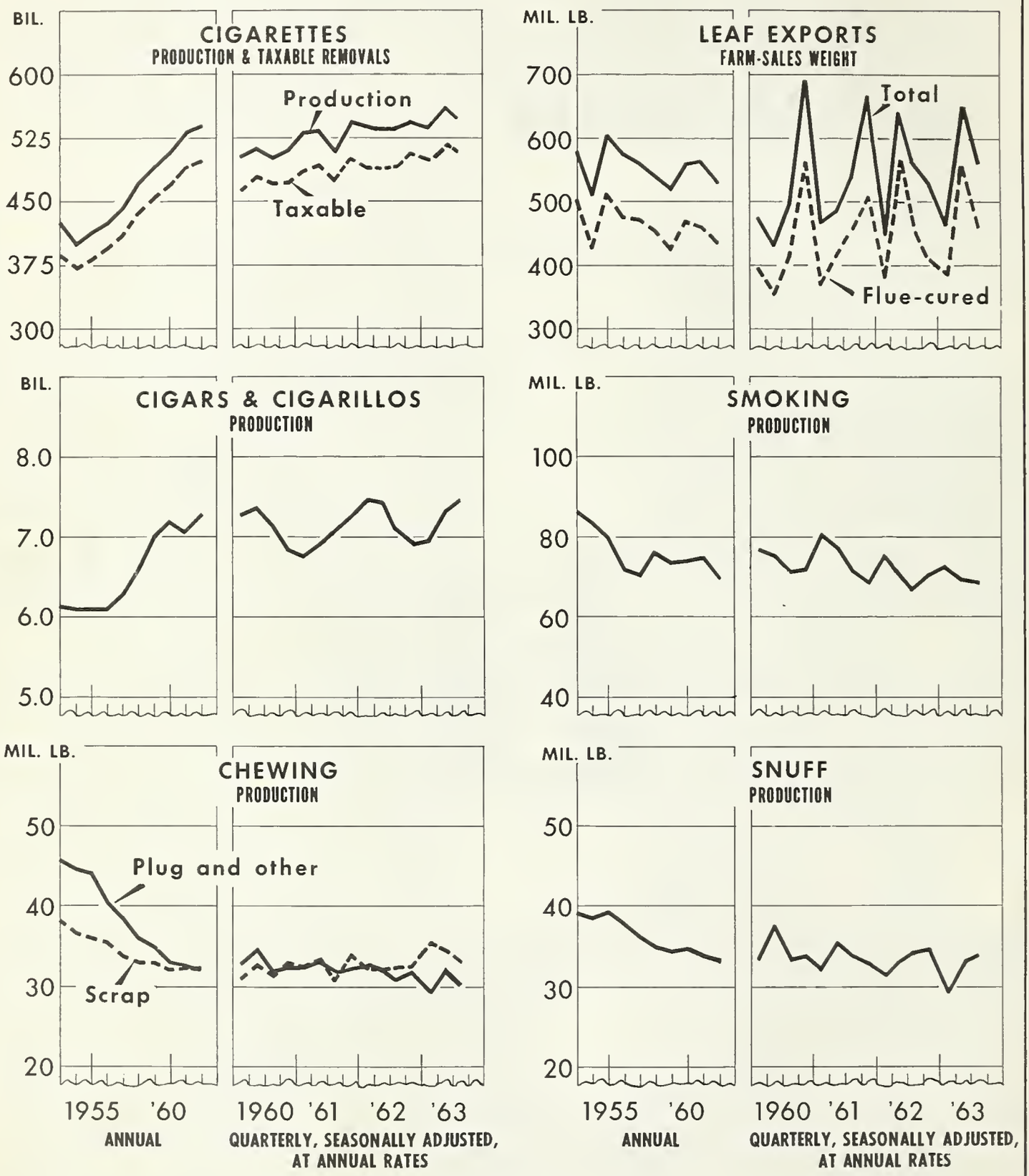
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



LAST QUARTER SHOWN, PARTLY ESTIMATED.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, September 20, 1963

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SUMMARY

The 1963-64 supplies of flue-cured and burley tobacco--the two big-volume tobaccos--will be about 3 and 6 percent larger, respectively, than for 1962-63. Carryovers of both flue-cured and burley are the largest in 5 years. The flue-cured crop is moderately smaller than last year's crop but the burley crop as indicated September 1 will top last year's record.

The 1963-64 total supplies of fire-cured, dark air-cured, and cigar filler types may be slightly or moderately above 1962-63 but supplies of most cigar binder and the wrapper types likely will be smaller than in 1962-63. The 1963-64 supply of Maryland tobacco will probably be about the same as a year earlier.

Consumption of cigarettes and cigars in 1963 is expected to exceed 1962 but declines are indicated for smoking tobacco and snuff. Consumption of scrap chewing tobacco may top last year but use of plug chewing tobacco continues to trend downward.

Continuing favorable levels of employment and income and population increases are major factors that will favor further rises in cigarette and cigar consumption in 1964. A report on smoking and health is being prepared by a committee of experts for the Surgeon General of the Public Health Service. The Public Health Service has announced that the report is scheduled for completion and submission to the Surgeon General by the end of 1963. Whether the outlook for tobacco products will be modified to any appreciable extent by this report cannot be foreseen until its contents are made known and can be carefully appraised.

The 1963 output of cigarettes is estimated at 550 billion--about 14½ billion over 1962, and a new high. U.S. smokers are expected to consume about 523 billion cigarettes--almost 3 percent more than in 1962--while most of the remainder will be exported. Retail cigarette prices were increased during April-July 1963 by varying amounts due to a number of raises in State and local taxes on cigarettes and a general advance in prices of nonfilter tip cigarettes at the manufacturer level.

The 1963 consumption of cigars and cigarillos is estimated at about 7,170 million--about 1½ percent over the level of the previous 3 years when cigar consumption showed little change. There are still sizable stocks of Cuban tobacco in the United States (brought here prior to the embargo) so that Cuban tobacco will continue to be used in cigars for some time yet. However, significantly larger quantities of other cigar tobaccos are being used in cigar manufacture than a year or two ago.

Output of smoking tobacco in 1963 is estimated at about 69½ million pounds--2 percent below 1962 and the lowest this century. With consumer incomes at high levels, no appreciable increase in consumption of smoking tobacco seems likely in the year ahead. However, imported smoking tobaccos--usually higher priced than domestic brands--continue to gain.

Output of chewing tobacco in 1963 may be near 65 million pounds--about the same as in 1962. Production of scrap chewing tobacco (52 percent of the total) is likely to be up some, but this seems likely to be largely offset by a further decline in output of plug chewing tobacco.

Output of snuff in 1963 is estimated at about 32½ million pounds--2 percent lower than in 1962 and probably the smallest output since 1915. The downtrend is expected to continue in the years ahead.

The foreign market is usually the outlet for 25 to 30 percent of U.S. tobacco. Exports of unmanufactured tobacco in calendar year 1963 may total 505 million pounds (about 570 million pounds farm-sales weight)--approximately 8 percent above 1962 when they were second lowest in 8 years. Contributing to the expected pickup in exports this year are the better quality of the 1963 flue-cured crop compared with that of 1962, reduced flue-cured crops of major foreign producers, and lower stocks of U.S. flue-cured in the United Kingdom--the leading foreign market. Viewed over the longer term, increasing competition from foreign-producing areas and various trade restrictions of importing countries are likely to continue to affect U.S. tobacco exports adversely. Any further narrowing of the quality gap between U.S. flue-cured and foreign flue-cured

tobacco entering world trade would impair the competitive position of U.S. leaf. On the favorable side are the continuing rise in world cigarette consumption and the improving economic levels in many countries.

The 1963 crop price support levels for the eligible kinds of tobacco are 1 percent above 1962. The 1964 price support levels will be calculated by increasing the supports that were in effect for the 1959 crop so that they reflect the advance in the parity index from 1959 to its average level for calendar years 1961, 1962, and 1963. The parity index measures the average change over time in prices of commodities and services commonly bought by farm families. If the parity index continues near its recent level for the remainder of 1963, over-all price supports for 1964 tobacco will be up about 1 percent from 1963 levels.

The Secretary of Agriculture will announce the 1964 marketing quota and acreage allotment for flue-cured tobacco by December 1, 1963; for burley, fire-cured, dark air-cured, sun-cured, the eligible cigar types, and for Maryland tobacco, 1964 quotas must be announced by February 1, 1964.

Carryover of flue-cured on July 1, 1963, was nearly a tenth larger than a year earlier and largest since 1958. The 1963 crop is estimated to be 7 percent smaller than last year when it was third largest on record. Acreage is down 5 percent (reflecting the cut in allotments) and yields per acre are averaging lower than last year in some producing areas. Drought conditions have reduced yields considerably in the Old and Middle Belts. Total disappearance of flue-cured during 1962-63 was down nearly 5 percent from a year earlier, mainly due to the drop in exports. Exports in 1963-64 are expected to show some recovery. Marketings began in late July. Through September 20, about 50 percent of the crop had been marketed. The average price through that date was 58.0 cents per pound, compared with 59.5 cents in the corresponding period last season. About 9.9 percent of deliveries have been placed under Government loan thus far this season, compared with 8.7 percent in the corresponding period a year earlier.

Carryover of burley on October 1, 1963, is estimated to be about 8 percent above a year earlier and largest since 1958. The 1963 crop is estimated to be $1\frac{1}{2}$ percent above last year's record outturn. Disappearance of burley in 1962-63 may be about 2 percent larger than in 1961-62 and above any previous year. Burley marketings usually start in late November.

Carryover of Maryland tobacco may be a tenth larger than a year earlier but the 1963 harvest due mainly to drought conditions may be down nearly one-fifth from the relatively large 1962 crop.

The October 1, 1963, carryovers of fire-cured and dark air-cured tobaccos are likely to be a little larger than a year earlier but otherwise the lowest in many years. The 1963 crops of fire-cured and sun-cured tobacco in Virginia are smallest in several years due to drought conditions. Moderately increased production in Kentucky and Tennessee raises total production of fire-cured and dark air-cured tobacco a little above last year.

The increase in carryover of Pennsylvania filler tobacco more than offsets the indicated drop in production and total 1963-64 supply of this type may be up a little from 1962-63. Estimated 1962-63 disappearance of Pennsylvania filler tobacco rose moderately from the low 1961-62 level. The 1963 production of Ohio filler is down some, but together with the carryover will provide about the same total supply as a year earlier.

Stocks of foreign-grown cigar tobaccos other than Cuban were increased appreciably the past year. Principal sources were the Philippine Republic, Colombia, Dominican Republic, Brazil, Paraguay, and Indonesia.

Carryovers of Connecticut Valley cigar binder types continued to decline and supplies are below any previous year. In Wisconsin, 1963 production of binder types is estimated to be moderately below last year. Total supply of Southern Wisconsin tobacco will be fairly near that of a year ago but there probably will be a smaller supply of Northern Wisconsin tobacco for 1963-64 than for 1962-63.

The 1963-64 supply of Connecticut Valley shade-grown wrapper is down a little and that of Georgia-Florida wrapper is down moderately from 1962-63. Supplies of both are the lowest in 4 years.

TOBACCO PRODUCTS

Cigarettes

The 1963 output of cigarettes is estimated at 550 billion--about $14\frac{1}{2}$ billion above 1962 and a record high. The increase is roughly double the unusually small gain from 1961 to 1962 but still below the annual increases from 1956 to 1961. The 1963 cigarette consumption (including that of overseas forces) is estimated at about 523 billion--95 percent of the total output. This is almost 3 percent above 1962--significantly above the 1 percent gain a year earlier and more in line with the annual rates of gain in 1956-61.

Continuing high levels of incomes and the increasing population are major factors tending to raise cigarette consumption. These factors seem likely to favor a further rise in 1964. A report on smoking and health is being prepared by a committee of experts for the Surgeon General of the Public Health Service. The Public Health Service has announced that the report is scheduled for completion and submission to the Surgeon General by the end of 1963. Whether or not the outlook for cigarette consumption will be modified to any appreciable extent by this report cannot be foreseen until its contents are made known and can be carefully appraised.

Prices of nonfilter tip cigarettes were increased by manufacturers in April and May. These were the first price increases at the manufacturer level since mid-1957. At the retail level, prices for regular-size nonfilter tips rose moderately and in most cases prices for king-size nonfilter tips rose slightly on carton (10 packs) sales.

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to		Exports
			Overseas forces and other 1/	Puerto Rico and U. S. islands 2/	
	Billions	Billions	Billions	Billions	Billions
1947	369.7	335.4	10.4	1.1	22.8
1948	386.8	348.5	12.8	1.7	25.2
1949	385.0	351.8	12.0	1.7	19.5
1950	392.0	360.2	15.6	1.9	14.3
1951	418.8	379.7	20.1	2.0	16.8
1952	435.5	394.1	21.7	1.9	16.4
1953	423.1	386.8	18.8	2.0	16.2
1954	401.8	368.7	15.9	1.8	15.4
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960	506.9	470.1	14.3	2.5	20.2
1961	528.3	488.1	14.6	2.8	22.2
1962	535.5	494.5	13.9	3.1	24.1
1963 3/	550.0	509.0	14.3	3.2	23.5
	Fiscal year				
Year ending June					
1959	479.5	444.3	14.3	2.3	18.4
1960	506.1	468.6	14.2	2.5	20.1
1961	518.0	479.4	14.1	2.7	21.6
1962	529.9	488.4	14.1	3.0	23.4
1963 4/	543.7	503.0	14.0	3.1	23.4

1/ Also includes ship stores and small tax-exempt categories.
2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.
3/ Preliminary estimate. 4/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarettes and all tobacco products: Consumption per capita, 15 years and over (including overseas forces), and indexes, 1925-63

Year	Cigarettes 1/		All tobacco products 1/	Cigarettes (number)	Cigarettes (pounds)	All tobacco products
	Number	Pounds	Pounds	(Indexes--1957-59=100)		
1925	996	2.84	8.87	27	33	82
1926	1,093	2.96	8.82	30	34	81
1927	1,174	3.53	9.07	32	39	84
1928	1,254	3.45	8.79	34	40	81
1929	1,382	3.75	9.04	38	44	83
1930	1,365	3.87	8.88	37	45	82
1931	1,288	3.67	8.48	35	43	78
1932	1,147	3.15	7.58	31	37	70
1933	1,230	3.23	7.53	33	38	70
1934	1,368	3.64	8.03	37	42	74
1935	1,443	3.90	8.00	39	45	74
1936	1,618	4.40	8.61	44	51	80
1937	1,704	4.62	8.76	46	54	81
1938	1,688	4.54	8.53	46	53	79
1939	1,755	4.76	8.64	48	55	80
1940	1,828	4.95	8.91	50	56	82
1941	2,072	5.64	9.47	56	64	87
1942	2,400	6.75	10.42	65	77	96
1943	2,750	7.49	10.95	75	85	101
1944	2,832	7.57	10.74	77	86	99
1945	3,223	8.86	12.16	88	101	112
1946	3,228	8.83	11.77	88	101	109
1947	3,203	8.56	11.35	87	98	105
1948	3,293	8.85	11.61	90	101	107
1949	3,275	8.90	11.50	89	101	106
1950	3,322	9.00	11.59	90	103	107
1951	3,529	9.37	11.87	96	107	110
1952	3,661	9.84	12.35	100	112	114
1953	3,559	9.76	12.20	97	111	113
1954	3,339	9.03	11.41	91	103	105
1955	3,386	8.93	11.28	92	102	104
1956	3,434	8.80	10.96	93	100	101
1957	3,526	8.65	10.71	96	99	99
1958	3,696	8.84	10.92	101	101	101
1959	3,801	8.83	10.87	103	101	100
1960	3,888	8.99	10.97	106	103	101
1961	3,985	9.20	11.15	108	105	103
1962	3,958	9.00	10.85	108	103	100
1963 2/	4,005	9.03	10.89	109	103	101

1/ The weight represents the unstemmed processing-weight equivalent of the tobacco.
2/ Preliminary estimate.

Table 3 .--Cigarette exports from the United States to leading destinations for specified periods

Country	Average 1955-59	Year ending June 30			January-July		
		1961	1962	1963 1/	1962 1/	1963 1/	1963 as a percentage of 1962
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Hong Kong	1,085	1,566	1,753	1,812	1,028	1,248	121
France	1,125	1,498	1,503	1,524	844	855	101
Singapore 2/	794	1,235	1,354	1,493	725	908	125
Neth. Antilles	545	895	1,026	1,034	707	591	84
Gibraltar (Br.)	30	1,929	1,130	1,045	558	514	92
Belgium	712	1,020	1,101	1,142	622	623	100
Uruguay	162	746	1,208	900	702	485	69
Spain	328	532	604	944	739	402	54
Kuwait	436	882	879	1,184	640	777	121
Argentina	37	78	911	47	866	37	4
Italy	410	705	776	769	473	437	92
Morocco	1,359	364	675	804	386	423	110
Sweden	639	696	647	731	392	379	97
Panama, Rep. 3/	484	458	858	569	428	342	80
Netherlands	450	613	598	522	343	238	69
W. Germany	478	568	580	546	322	319	99
Peru	213	411	407	680	260	449	173
Switzerland	312	595	470	490	205	304	148
Other countries 4/	7,496	6,809	7,483	7,118	3,767	4,039	107
Total all countries	17,095	21,600	23,383	23,354	14,007	13,370	95

1/ Preliminary. 2/ Includes Federation of Malaya. 3/ Includes Canal Zone. 4/ Includes over 100 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Table 4.--Tobacco used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:									
1925-29	154	125	9	288	137	111	9	42	299
1930-34	192	126	10	328	170	111	9	36	326
1935-39	269	166	18	453	238	147	17	43	445
1940-44	468	248	23	739	413	220	22	45	700
1945-49	650	378	24	1,052	575	335	23	56	989
1950	698	405	24	1,127	618	358	22	64	1,062
1951	737	416	22	1,175	652	368	20	72	1,112
1952	775	435	25	1,235	686	385	23	76	1,170
1953	763	437	24	1,224	675	387	23	77	1,162
1954	707	411	22	1,140	625	364	21	77	1,087
1955	702	413	22	1,137	621	366	21	80	1,088
1956	688	418	23	1,129	610	371	21	85	1,087
1957	688	414	20	1,122	610	368	18	88	1,084
1958	712	420	19	1,151	634	374	18	100	1,126
1959	714	423	18	1,155	635	376	17	109	1,137
1960	731	437	18	1,186	651	389	17	116	1,173
1961	758	453	19	1,230	674	403	18	125	1,220
1962	745	463	18	1,226	663	412	17	126	1,218

Table 5.--Tobacco used per 1,000 cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total Domestic	Flue-cured	Burley	Maryland	Imported	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average:									
1925-29	1.434	1.164	.084	2.682	1.276	1.033	.084	.391	2.784
1930-34	1.616	1.061	.084	2.761	1.431	.934	.076	.303	2.744
1935-39	1.637	1.010	.110	2.757	1.449	.895	.103	.261	2.708
1940-44	1.822	.965	.090	2.877	1.608	.856	.086	.175	2.725
1945-49	1.782	1.037	.066	2.885	1.577	.919	.063	.153	2.712
1950	1.781	1.033	.061	2.875	1.577	.913	.056	.163	2.709
1951	1.760	.993	.053	2.806	1.557	.878	.048	.172	2.655
1952	1.780	.999	.057	2.836	1.575	.884	.053	.175	2.687
1953	1.803	1.033	.057	2.893	1.595	.915	.054	.182	2.746
1954	1.760	1.023	.055	2.837	1.555	.906	.052	.192	2.705
1955	1.703	1.002	.053	2.758	1.506	.888	.051	.194	2.639
1956	1.622	.985	.054	2.661	1.438	.874	.050	.200	2.562
1957	1.555	.937	.045	2.537	1.379	.832	.041	.199	2.451
1958	1.515	.893	.040	2.448	1.349	.796	.038	.212	2.395
1959	1.457	.863	.037	2.357	1.296	.768	.035	.222	2.321
1960	1.442	.862	.036	2.340	1.284	.767	.034	.229	2.314
1961	1.435	.857	.036	2.328	1.276	.763	.034	.237	2.310
1962	1.391	.865	.034	2.290	1.238	.769	.032	.235	2.274

Table 6.--Percentage distribution of tobacco used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average:									
1925-29	53.5	43.4	3.1	100.0	45.8	37.1	3.0	14.1	100.0
1930-34	58.5	38.4	3.1	100.0	52.1	34.1	2.8	11.0	100.0
1935-39	59.4	36.6	4.0	100.0	53.5	33.0	3.8	9.7	100.0
1940-44	63.3	33.6	3.1	100.0	59.0	31.4	3.2	6.4	100.0
1945-49	61.8	35.9	2.3	100.0	58.1	33.9	2.3	5.7	100.0
1950	61.9	36.0	2.1	100.0	58.2	33.7	2.1	6.0	100.0
1951	62.7	35.4	1.9	100.0	58.6	33.1	1.8	6.5	100.0
1952	62.8	35.2	2.0	100.0	58.6	32.9	2.0	6.5	100.0
1953	62.3	35.7	2.0	100.0	58.1	33.3	2.0	6.6	100.0
1954	62.0	36.1	1.9	100.0	57.5	33.5	1.9	7.1	100.0
1955	61.8	36.3	1.9	100.0	57.1	33.6	1.9	7.4	100.0
1956	60.9	37.0	2.1	100.0	56.1	34.2	1.9	7.8	100.0
1957	61.3	36.9	1.8	100.0	56.3	33.9	1.7	8.1	100.0
1958	61.9	36.5	1.6	100.0	56.3	33.2	1.6	8.9	100.0
1959	61.8	36.6	1.6	100.0	55.8	33.1	1.5	9.6	100.0
1960	61.6	36.9	1.5	100.0	55.5	33.2	1.4	9.9	100.0
1961	61.6	36.8	1.6	100.0	55.2	33.0	1.5	10.3	100.0
1962	60.8	37.8	1.4	100.0	54.5	33.8	1.4	10.3	100.0

Table 7.--Disposable personal income, consumer expenditures for tobacco products, and percentages, 1939-63

Year	Disposable personal income	Consumer expenditures for tobacco products				Tobacco product expenditures as percentage of disposable personal income			
		Total	Cigarettes	Cigars	Other 1/	Total	Cigarettes	Cigars	Other 1/
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Pct.	Pct.	Pct.
1939	70,444	1,767	1,207	261	299	2.51	1.71	0.37	0.43
1940	76,076	1,883	1,316	265	302	2.48	1.73	.35	.40
1941	92,982	2,108	1,518	284	306	2.27	1.63	.31	.33
1942	117,516	2,381	1,773	305	303	2.03	1.51	.26	.26
1943	133,547	2,677	2,024	358	295	2.00	1.51	.27	.22
1944	146,761	2,717	2,025	402	290	1.85	1.38	.27	.20
1945	150,355	2,972	2,208	443	321	1.98	1.47	.30	.21
1946	160,569	3,478	2,656	542	280	2.17	1.65	.34	.18
1947	170,113	3,869	3,044	547	278	2.27	1.79	.32	.16
1948	189,300	4,155	3,319	548	288	2.19	1.75	.29	.15
1949	189,654	4,272	3,463	520	289	2.25	1.83	.27	.15
1950	207,655	4,432	3,626	514	292	2.13	1.74	.25	.14
1951	227,481	4,743	3,934	526	283	2.09	1.73	.23	.13
1952	238,714	5,153	4,326	545	282	2.16	1.81	.23	.12
1953	252,474	5,365	4,537	560	268	2.12	1.79	.22	.11
1954	256,885	5,218	4,406	552	260	2.03	1.72	.21	.10
1955	274,448	5,350	4,544	549	257	1.95	1.66	.20	.09
1956	292,942	5,638	4,843	553	242	1.92	1.65	.19	.08
1957	308,791	6,064	5,267	557	240	1.96	1.70	.18	.08
1958	317,924	6,400	5,564	581	255	2.01	1.75	.18	.08
1959	337,145	6,940	6,036	625	279	2.06	1.79	.19	.08
1960	349,889	7,323	6,384	647	292	2.09	1.82	.19	.08
1961	364,433	7,571	6,635	633	303	2.08	1.82	.18	.08
1962	384,440	7,754	6,788	646	320	2.02	1.77	.17	.08
1963	2/400,000	8,080	7,100	660	320	2.02	1.77	.17	.08

1/ Smoking, chewing, and snuff.

2/ Second quarter seasonally adjusted annual rate.

* Preliminary indication.

Basic data, but not the 1963 tobacco expenditure estimates, from United States Department of Commerce.

Between late May and early July, additional retail price increases on cigarettes (both filter and nonfilter) occurred in 13 States, New York City, and St. Louis, due to higher State and City tax levies on cigarettes.

In 1963, consumer expenditures for cigarettes (not including overseas use) are likely to be around $7.1 billion--about $312 million above 1962 (see table 7). Cigarettes account for about seven-eighths of total expenditures for tobacco products. Approximately 47 percent of the expenditure for cigarettes at retail goes for cigarette taxes to the Federal Government, 47 States, and to a number of local governments that levy such taxes.

Cigarette consumption on a per capita basis is computed by dividing the total consumption figure by the population 15 years and over (including Armed Forces overseas). For 1963, the estimated number consumed per capita is 4,005 (about 200 packs)--up 1 percent from 1962 and slightly above the previous high of 1961. (Average consumption per smoker, of course, would be at a higher level than the per capita figure.) A tentative estimate of the unstemmed tobacco equivalent of cigarettes consumed per capita is 9.03 pounds--slightly above 1962. (See table 2.) Over the past decade, the number of cigarettes consumed per capita has risen about 12 percent, but measured in pounds of unstemmed tobacco, consumption per capita has declined about 7 percent. This has come about principally because a greater proportion of the entire leaf, including the midrib (stem), is used than formerly and because filter tip cigarettes, which have gained over 55 percent of the market, contain less tobacco than nonfilter tips.

Exports of cigarettes in 1963 are estimated at about 23½ billion--down a little from 1962 when they were highest on record (except for two years just after World War II when large shipments were made, particularly to the Philippines, to relieve shortages). Cigarette exports represent about the equivalent of 55 million pounds (farm-sales weight) of U. S. tobacco.

Tobacco Used For Cigarettes

Tables 4, 5 and 6 contain estimates of the quantities of tobacco used in cigarettes, the quantities per unit of output, and the percentage distribution by kinds of tobacco. For background and discussion of the data contained in these tables, see the article entitled "Tobacco Used for Cigarettes" in the September 1962 Tobacco Situation, pages 21-25.

Cigars and Cigarillos

The 1963 consumption of cigars and cigarillos is estimated at about 7,170 million--115 million more than in 1962 and the highest in 40 years. This represents a gain of about 1½ percent over the level of the previous 3 years, when cigar consumption showed little change. Assisted by favorable levels of employment and personal incomes, cigar consumption is expected to continue to gain gradually during 1964.

United States and Puerto Rican factories produce all except a very small percentage of the cigars consumed by U. S. smokers; cigar imports amount to less than one-half of 1 percent of the total.

Table 8 .--Large cigars and cigarillos: Output and consumption for specified periods

Period	Factories in the United States 1/			From Puerto Rico: taxable	Imports for consumption		Exports	Total consumption 3/
	Total output	Removals			Total 2/	From Philippine Republic		
		Taxable	Tax-exempt					
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
1947	5,612	5,584	41	6	12	3	19	5,624
1948	5,788	5,728	38	5	12	1	13	5,770
1949	5,603	5,541	46	5	11	1	3	5,600
1950	5,558	5,525	47	1	12	1	2	5,583
1951	5,774	5,695	85	1	14	1	3	5,792
1952	6,026	5,951	102	2	15	2	3	6,067
1953	6,122	6,025	90	10	17	3	6	6,136
1954	6,029	5,896	89	50	16	4	8	6,043
1955	6,004	5,915	82	84	20	5	6	5,095
1956	5,998	5,863	72	93	23	4	9	6,042
1957	6,145	5,995	79	124	26	5	9	6,215
1958	6,469	6,260	87	137	28	4	9	6,503
1959	6,857	6,717	103	148	31	5	4/10	6,989
1960	6,991	6,728	105	198	32	6	4/11	7,052
1961	6,642	6,558	118	354	24	8	4/16	7,038
1962	6,684	6,442	126	483	23	14	4/19	7,055
1963 5/	6,650	6,480	140	550	25	17	4/25	7,170
	Fiscal year							
Year ending June								
1959	6,758	6,662	101	139	34	5	10	6,926
1960	7,034	6,697	100	152	27	5	4/11	6,965
1961	6,685	6,565	111	259	26	6	4/14	6,947
1962	6,834	6,572	121	423	27	10	4/18	7,125
1963 6/	6,532	6,440	139	521	23	16	4/25	7,098

1/ Includes bonded manufacturing warehouses that make cigars from tobacco imported from a single source country.

2/ Prior to the embargo on imports from Cuba (effective February 1962) cigars imported from Cuba accounted for 70 percent or more of total cigar imports except in 1961.

3/ Total removals from U. S. factories including bonded manufacturing warehouses, from Puerto Rico, imports, minus exports.

4/ Estimated--excludes little cigars.

5/ Preliminary estimate.

6/ Subject to revision.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 9.--Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Million	Million	Million	Million
1947	79.7	80.6	80.6	Neg.
1948	89.1	89.6	89.5	.1
1949	83.5	83.7	83.7	Neg.
1950	68.9	69.2	69.1	.1
1951	69.2	68.6	68.2	.4
1952	67.1	67.4	66.9	.5
1953	58.3	56.9	56.7	.2
1954	61.2	62.9	60.3	2.6
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1961	158.2	152.9	146.1	6.8
1962	164.0	162.9	155.8	7.1
1963 1/	192.0	190.0	183.0	7.0
	Fiscal year			
Year ending June				
1959	603.1	571.1	565.7	5.4
1960	151.1	141.4	113.9	27.5
1961	147.7	157.2	145.3	11.9
1962	164.7	163.1	156.2	6.9
1963 2/	187.1	188.6	181.8	6.8

1/ Preliminary estimate
2/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Table 10.--Consumption of cigars, smoking tobacco and chewing tobacco per male, 18 years and over, and snuff per person, 15 years and over, and indexes for specified periods

Period	Consumption per male 18 years and over				Per person 15 years and over
	Large cigars and cigarillos 1/		Smoking tobacco 1/	Chewing tobacco 1/	Snuff 1/
	Number	Pounds	Pounds	Pounds	Pounds
Average					
1925-29	177.4	4.10	4.15	5.03	0.47
1930-34	125.2	2.96	4.40	3.15	.42
1935-39	120.9	2.89	4.39	2.48	.39
1940-44	118.9	2.87	3.67	2.34	.40
1945	112.3	2.71	3.41	2.34	.41
1946	120.4	2.93	2.12	2.21	.37
1947	112.8	2.78	2.06	1.92	.36
1948	113.7	2.80	2.09	1.85	.37
1949	109.3	2.50	2.08	1.71	.37
1950	107.8	2.53	2.03	1.67	.36
1951	110.7	2.56	1.89	1.62	.35
1952	115.0	2.72	1.80	1.58	.34
1953	115.5	2.72	1.62	1.55	.34
1954	112.8	2.64	1.55	1.48	.33
1955	112.8	2.60	1.47	1.44	.33
1956	110.8	2.41	1.30	1.36	.32
1957	112.9	2.28	1.27	1.29	.30
1958	117.3	2.34	1.37	1.23	.29
1959	125.0	2.36	1.31	1.20	.27
1960	124.7	2.28	1.30	1.13	.28
1961	122.9	2.27	1.30	1.13	.27
1962	121.9	2.18	1.24	1.10	.26
1963 2/	122.7	2.25	1.21	1.10	.25
	1957-59=100				
Average					
1925-29	150	176	316	406	165
1930-34	106	127	334	254	147
1935-39	102	124	333	200	136
1940-44	100	123	279	189	139
1945	95	116	259	189	144
1946	102	126	161	178	130
1947	95	119	157	155	127
1948	96	120	159	149	130
1949	92	107	158	138	130
1950	91	109	154	134	125
1951	94	110	144	131	122
1952	97	117	137	128	119
1953	98	117	123	125	118
1954	95	113	118	120	116
1955	95	112	112	116	116
1956	94	103	99	110	111
1957	95	98	97	104	105
1958	99	101	104	99	100
1959	106	101	99	97	95
1960	105	98	99	91	97
1961	104	97	99	91	93
1962	103	94	94	89	90
1963 2/	104	97	92	89	87

1/ Unstemmed weight equivalent for cigars and finished-product weight for all others.

2/ Preliminary estimate.

Cigars from Puerto Rican factories continue to increase and will probably account for around 8 percent of the total consumed this year. The number of cigars coming from Puerto Rico to the mainland in 1963 is estimated to be about $3\frac{3}{4}$ times what it was 5 years ago.

Cigars shipped to U. S. smokers overseas continue to show steady gains. The major proportion of the cigars in the tax-exempt category is shipped for overseas use by U. S. smokers. (See table 8.) Also included in the tax-exempt category are commercial exports to foreign countries; these exports rose sharply in the past 3 years.

Prior to the embargo on imports from Cuba (February 1962), that country was the leading source of imported cigars. The Philippine Republic has become the leading source for imported cigars; imports from there will reach a postwar high this year and account for about two-thirds of total cigar imports.

Sizable stocks of Cuban tobacco are still on hand in the United States (brought here prior to the embargo), so Cuban tobacco will continue to be used in cigars for some time. At the rate of use during the first half of 1963, stocks would last until the end of 1964, but may last even longer if the rate of substitution of other tobaccos is stepped up.

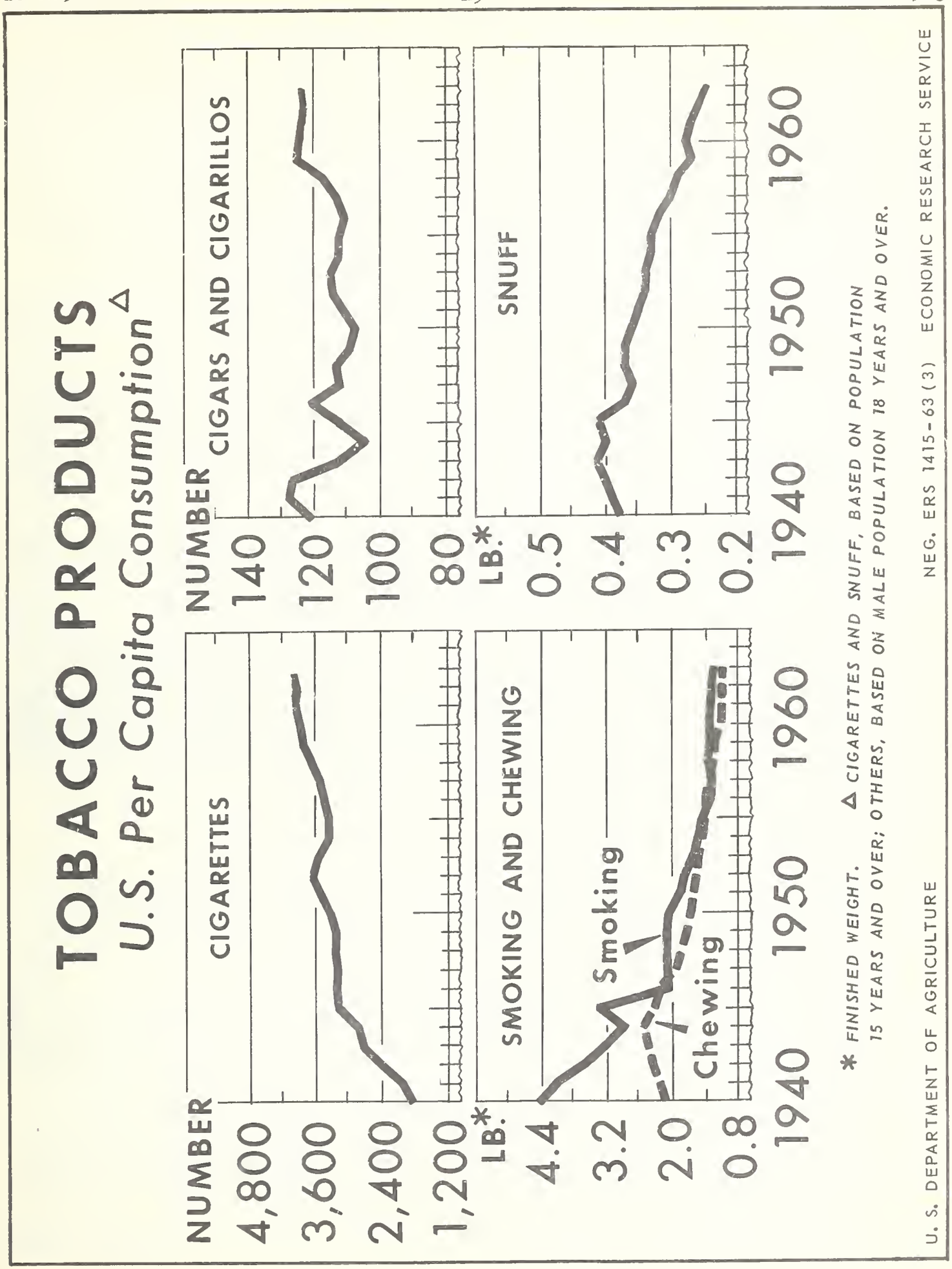
During January-July 1963, $45\frac{3}{4}$ percent of the cigars and cigarillos retailed at 6 cents or less, compared with about $43\frac{1}{2}$ percent in 1962. In 1962, about a third of those selling for 6 cents or less were cigarillo-size (weighing over 3 but less than 10 pounds per 1,000); from 1961 to 1962 cigarillo sales rose 5 percent. The proportion of all cigars priced above 6 but not over 15 cents apiece in the first 7 months of 1963 was $48\frac{1}{2}$ percent compared with 50 percent in 1962; those priced above 15 cents apiece accounted for $5\frac{3}{4}$ percent compared with $6\frac{1}{2}$ percent in 1962.

Cigar and cigarillo consumption per male 18 years and over in 1963 is estimated at about 123--up seven-tenths of one percent from 1962 and close to the 1961 level. (See table 10.) The corresponding 1963 poundage figure--unstemmed leaf equivalent--is indicated to be above the record low of 1962.

Though small in volume compared with other tobacco products, consumption of cigarette-size cigars (weighing less than 3 pounds per 1,000) has increased appreciably this year. Total factory removal (a consumption indicator) is estimated to be around 190 million in 1963--a sixth more than in 1962 and the highest in a quarter of a century except for the unusual boom level of 1959.

Smoking Tobacco

Production of smoking tobacco in 1963 is estimated at about $69\frac{1}{2}$ million pounds--about 2 percent less than in 1962 and 6 percent less than in 1961. Indicated 1963 output is lowest this century. Before a spurt in the recession year 1958 and a relatively stable level of 73-74 million pounds in 1959-61, manufacture of smoking tobacco had trended downwards for some years.


TOBACCO PRODUCTS
U.S. Per Capita Consumption Δ
CIGARETTES
NUMBER
4,800
3,600
2,400
1,200
CIGARS AND CIGARILLOS
NUMBER
140
120
100
80
SMOKING AND CHEWING
LB.*
4.4
3.2
2.0
0.8
Smoking
Chewing
SNUFF
LB.*
0.5
0.4
0.3
0.2
1940
1950
1960
* FINISHED WEIGHT.
Δ CIGARETTES AND SNUFF, BASED ON POPULATION 15 YEARS AND OVER; OTHERS, BASED ON MALE POPULATION 18 YEARS AND OVER.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 1415-63 (3) ECONOMIC RESEARCH SERVICE

In 1962, an estimated 70 percent of all smoking tobacco consumed in the United States was used for pipes, and the other 30 percent for "roll-your-own" cigarettes. While pipe-smoking is favored by many, either because of preference or economy, other forms of smoking have appeal due to their greater convenience. Personal income undoubtedly influences those who smoke pipes or use "roll-your-own" cigarettes for reasons of economy. This is borne out by the tendency for smoking tobacco consumption to rise in periods of economic recession and widespread unemployment. In view of the generally favorable outlook for consumer incomes, appreciable increases in smoking tobacco consumption are not likely in the year ahead. Consumption of smoking tobacco per male, 18 years and over, is estimated at about 1-1/5 pounds (product weight) in 1963--about 2 percent less than in 1962. Ten years ago, per capita consumption was about 1-3/5 pounds. (See table 10.)

Imports for consumption of manufactured tobacco (almost entirely smoking tobacco) have continued their sharp gains of recent years. In January-July 1963, imports at 1.2 million pounds were 58 percent above a year earlier. As usual, the Netherlands and the United Kingdom were the chief suppliers. Total imports for 1963 will probably exceed 2 million pounds and comprise about 3 percent of U. S. consumption of smoking tobacco.

A revision in the Bureau of Labor Statistics wholesale price index for smoking tobacco indicates that manufacturers' prices advanced $1\frac{1}{2}$ percent in March 1963; they then remained unchanged through July.

Exports of packaged smoking tobacco are comparatively small in relation to total output, comprising about 1 percent of production in recent years. In the first 7 months of 1963, exports of smoking tobacco in packages were 1 percent ahead of those a year earlier. Shipments to Canada, leading outlet declined over a fifth but supplies larger than a year ago went to Denmark, Iceland, Belgium, West Germany, and Hong Kong. Less shipments than a year earlier were exported to Italy, Switzerland, Australia, and France.

Chewing Tobacco

Production of chewing tobacco in 1963 may be near $64\frac{3}{4}$ million pounds--about the same as in 1962 and only slightly below 1961. The leveling off in output contrasts with substantial declines that occurred previously throughout the postwar period.

Scrap chewing and plug chewing make up 52 percent and 38 percent, respectively, of the estimated 1963 total chewing output. Ten years ago, the split was 45 percent scrap, and 45 percent plug. Twist and fine-cut comprise the remaining 10 percent. Production of scrap chewing is likely to increase about 1 million pounds over 1962, but this may be offset by an equal reduction in output of plug chewing. Scrap chewing utilizes substantial quantities of the Wisconsin cigar binder types and some Pennsylvania tobacco, while plug chewing mainly utilizes dark air-cured and burley. Of the smaller categories, little change is expected in production of twist but that of fine-cut may be up some.

Table 11.--Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957	70.5	31.6	4.0	2.8	34.0	72.4	36.1
1958	76.0	29.6	3.8	2.9	33.0	69.3	34.8
1959	73.2	28.6	3.6	3.0	33.0	68.2	34.3
1960	73.8	26.4	3.4	3.1	32.0	64.9	34.6
1961	74.2	26.0	3.3	3.2	32.7	65.2	33.8
1962	70.9	26.0	2.9	3.3	32.5	64.7	33.2
1963 1/	69.5	24.8	2.9	3.4	33.7	64.8	32.5
	Fiscal year						
Year ending June							
1959	74.8	29.5	3.6	3.0	32.5	68.6	34.6
1960	73.8	27.5	3.6	3.1	32.7	66.9	35.3
1961	74.9	26.0	3.3	3.1	32.6	65.0	33.8
1962	71.5	26.0	3.0	3.2	32.5	64.7	32.9
1963 2/	69.8	25.1	2.9	3.3	33.4	64.7	32.7

1/ Preliminary estimate.
2/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

The 1963 consumption of chewing tobacco per male, 18 years and over, is estimated at about the same as in the previous year but nearly three-tenths less than 10 years ago. (See table 10.)

According to the Bureau of Labor Statistics wholesale price index, manufacturers' prices of plug chewing through July 1963 remained steady since October 1962, when they had risen 7½ percent.

All except a small fraction of chewing tobacco is consumed domestically. Exports, consisting mostly of plug and twist, have trended downwards and in 1962 were less than half of what they were 5 years earlier. During January-July 1963, exports were a fifth below a year earlier. Consignments to Australia, leading outlet, jumped 58 percent. Greater consignments than a year ago also went to French Pacific Islands. On the other hand, those to Panama dropped about a tenth, and none was reported shipped to the Netherlands, which in July 1962 had taken a substantial quantity.

Snuff

Production of snuff in 1963 is estimated at about 32½ million pounds--about 700,000 pounds less than in 1962 and probably the smallest since 1915. For about 10 years following World War II, snuff output was relatively stable between 39 and 41 million pounds, but has trended downwards since 1956. The downtrend is expected to continue in the years ahead.

Practically the entire output of snuff is consumed domestically, mainly in the South and Northwest and in industries where smoking is hazardous or inconvenient. Among factors cited in the downtrend in snuff consumption are the migration from the South to northern cities and improved incomes among southern consumers (both of which are conducive to a change in form of tobacco consumption), and the decline in farm labor force and among production workers in certain industries in which snuff consumption is presumed to be common.

Output of snuff in the coming year may be a little below the estimated 1963 level. Snuff provides the principal domestic outlet for the fire-cured types.

On a per capita basis, snuff consumption has been declining for many years. The 1963 per capita consumption of persons 15 years and over is estimated at about 3 percent less than in 1962 and over a fourth less than 10 years ago. (See table 10.)

According to the Bureau of Labor Statistics wholesale price index, manufacturers' prices of snuff were increased about 2 percent in March 1963 and remained steady through July.

Smoking Tobacco in Bulk for Export

Internal Revenue Service output figures for smoking tobacco do not include most of the smoking tobacco exported in bulk form. This export classification

Table 12.--United States exports of specified manufactured tobacco products, 1948-62

Year	Smoking tobacco, in packages		Chewing and snuff 1/		Smoking tobacco, in bulk 2/	
	Quantity	Value	Quantity	Value	Quantity	Value
	1,000 lb.	1,000 dol.	1,000 lb.	1,000 dol.	1,000 lb.	1,000 dol.
1948	827	672	3,521	1,888	1,296	951
1949	678	623	2,385	1,507	1,493	1,166
1950	564	563	1,510	1,158	1,446	1,152
1951	680	669	1,374	1,070	1,873	1,350
1952	601	638	1,920	1,547	2,263	1,818
1953	638	684	1,631	1,344	4,680	3,726
1954	572	624	2,118	1,708	4,645	3,357
1955	548	609	1,562	1,320	6,229	4,909
1956	607	670	1,661	1,422	5,675	4,423
1957	607	748	1,464	1,286	4,449	3,625
1958	677	930	1,291	1,162	7,453	6,521
1959	664	929	1,045	950	8,467	7,507
1960	908	1,336	680	611	7,744	7,407
1961	778	1,153	667	608	8,958	8,350
1962	881	1,291	626	525	8,632	8,598

1/ Mainly plug and twist chewing tobacco.
2/ Includes specially-prepared cigarette tobacco, cut or granulated tobacco, partially-processed blended tobacco, and shredded tobacco.

includes specially-prepared cigarette tobacco, cut and granulated tobacco, partially-processed blended tobacco, and shredded tobacco. For the past 5 years, exports of smoking tobacco in bulk form have been at a substantially higher level than in the mid-1950's. The 1962 exports of 8.6 million pounds were second to the record 9 million shipped in 1961. In January-July 1963, exports were 41 percent larger than a year earlier and for 1963 as a whole may total about 10 million pounds. Switzerland, accounting for over 30 percent of the total, about doubled its takings. Larger exports than a year earlier also went to Dominican Republic and Finland. Mexico took a substantial quantity, in contrast to none in the like 1962 period and a sizable export was made to Spain, which took none in calendar 1962. On the other hand, shipments declined to Haiti, Ecuador, Bolivia, and Panama. None was reported to Venezuela, which took a significant quantity in January-July 1962.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco in calendar 1963 may be around 505 million pounds (about 570 million pounds, farm-sales weight)--approximately 8 percent above 1962, second lowest in eight years. Tobacco exports in the 1952-61 period averaged 486 million pounds.

Contributing to the expected pickup in exports this year are better quality of the 1963 flue-cured crop compared with that of 1962, reduced flue-cured crops of major foreign producers (see page .--), and lower stocks of U. S. flue-cured in the United Kingdom--principal foreign market for U. S. tobacco. In the first 7 months of 1963, total exports of tobacco were nearly 2 percent ahead of those a year earlier. Exports of flue-cured, which comprise about 80 percent of total unmanufactured tobacco exports, generally are heaviest in September-December after substantial quantities of the crop have been marketed. Exports in the last 4 months of 1963 will likely exceed those in the same months of 1962, when they were lowest for that period in 10 years.

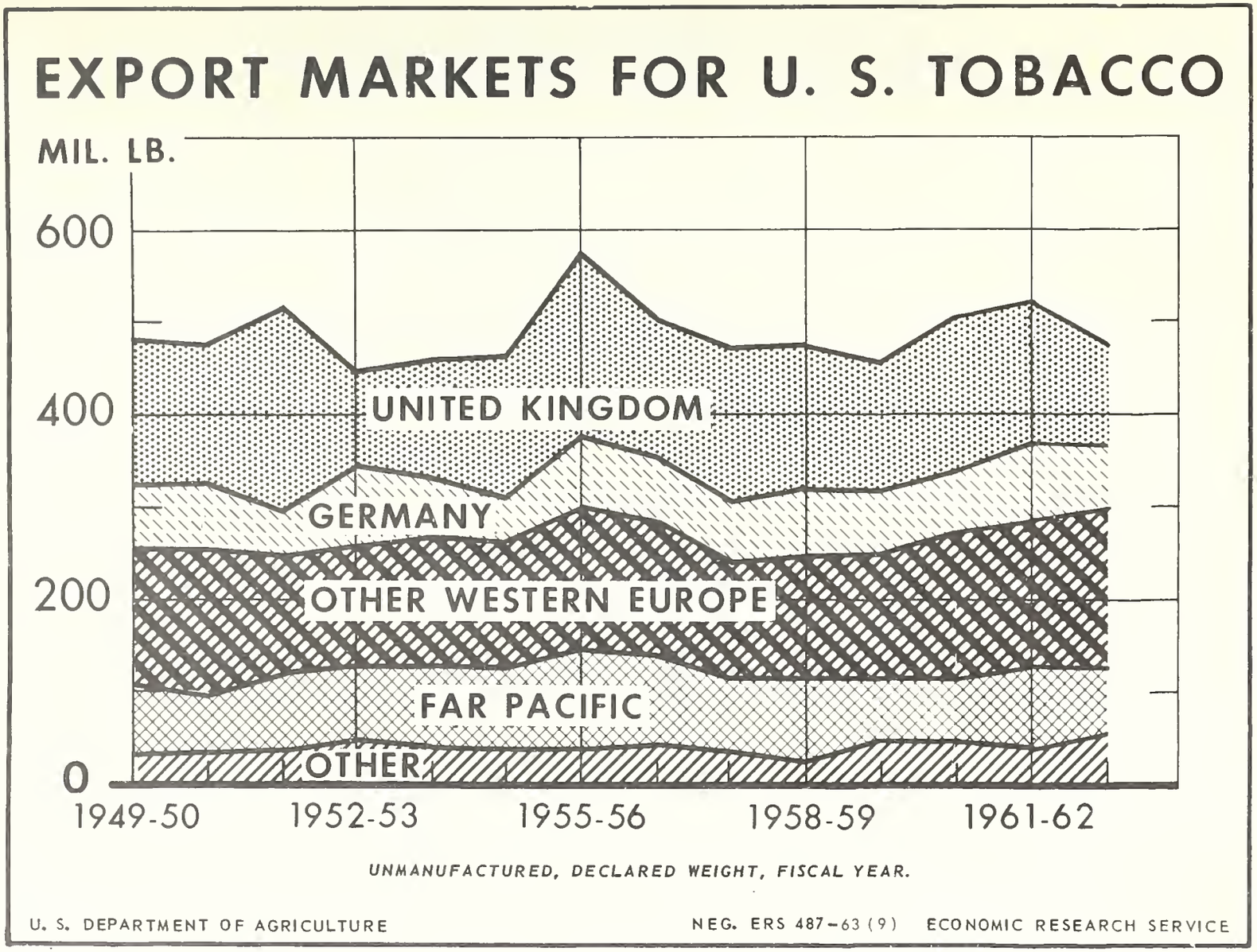
From a longer-term standpoint, rising world cigarette consumption, high level economic activity abroad, and increased gold and dollar reserves of most foreign markets favor U. S. tobacco exports. However, these are offset by increasing foreign competition and trade restrictions abroad which hamper U. S. exports. European Common Market duties are disadvantageous to U. S. tobacco unless changed in forthcoming tariff negotiations, and tobacco from Greece has, and from Turkey will have, preferential arrangements in this important trading area. (See page .--.) Any additional narrowing in the quality gap between U. S. and foreign flue-cured tobacco entering world trade would further impair the competitive position of U. S. leaf.

The Agricultural Trade Development and Assistance Act (referred to as Public Law 480) provides for several programs under which tobacco exports are made. (See table 14.) Title I, P.L. 480, authorizes sales of surplus agricultural commodities for foreign currencies. Expiration date of Title I, under present legislation, is December 31, 1964. In the year ended June 30, 1963, about 29 million pounds of tobacco were shipped under Title I, P.L. 480--about 6 percent of total exports. The 1962-63 Title I exports were about an eighth above 1961-62, but otherwise smallest since 1954-55, when the program was getting underway.

Title III of P.L. 480 authorizes barter of surplus agricultural commodities for strategic and other materials produced abroad. Exports of tobacco under Title III rose sharply in fiscal years 1960-62, but dropped to an estimated 18 million pounds in fiscal 1963 from the high of 77 million in the preceding year.

Title IV, P.L. 480 provides for sales under long-term dollar credit arrangements. In addition to the previous program of government to government agreements, an amendment to Title IV allows long-term credit to U. S. and

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.



Fiscal 1962-63 exports of U. S. tobacco, at 474 million pounds (equivalent to 535 million farm-sales weight), were 9 percent less than a year earlier. Exports to the United Kingdom dropped more than a fourth, to the lowest in 10 years. Less also went to West Germany, Japan, Belgium, Sweden, Switzerland, Finland, Austria, and Thailand. But shipments to Ireland nearly doubled, and increased exports were also made to Egypt, Norway, Portugal, and Indonesia. About the same quantities as in 1961-62 were exported to the Netherlands, Denmark, and Australia. Tobacco exports in 1963-64 may be up moderately from 1962-63.

Table 13.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Calendar year	Year ending June 30			January-July		
	Average 1950-54	1961	1962 1/	1963 1/	1962 1/	1963 1/	1963 as percentage of 1962
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	391.2	415.1	423.8	371.5	161.6	157.0	97
Burley	28.9	32.7	39.1	46.1	21.3	24.5	115
Maryland	7.5	12.0	10.6	11.4	4.4	6.0	136
Va. fire-cured and sun-cured	4.7	5.8	4.1	5.1	2.6	2.9	112
Ky. and Tenn. fire-cured	23.1	19.6	22.3	17.8	6.7	8.2	122
Green River	1.9	.5	.7	.3	.5	.5	100
One Sucker	1.8	.5	.6	.5	.2	.1	50
Black Fat, etc.	4.0	4.4	3.8	4.1	2.1	2.6	124
Cigar wrapper	3.5	3.1	5.3	4.4	3.1	2.8	90
Cigar binder	2.7	2.5	1.8	1.1	.3	.5	167
Cigar filler	.6	.2	.2	.2	2/	.2	---
Perique	.1	.1	.2	.2	.1	.1	100
Stems, trimmings and scrap	3.7	7.7	7.5	11.3	2.4	3.7	154
Total	473.7	504.2	520.0	474.0	205.4	209.1	102
Country of destination:							
United Kingdom	148.2	167.2	150.7	109.1	10.7	25.3	236
France	8.5	5.9	5.2	6.2	2.0	3.6	180
Belgium	19.7	19.4	16.9	15.7	8.5	8.1	95
Netherlands	33.7	35.2	30.6	30.2	8.5	13.6	160
Germany, West	64.2	66.8	82.2	74.6	49.3	44.0	89
Portugal	6.7	8.2	6.3	7.8	3.7	5.1	138
Denmark	11.0	13.9	13.3	13.6	6.5	6.2	95
Ireland	16.6	13.7	12.8	23.8	4.7	5.3	113
Switzerland	12.2	11.2	14.5	12.9	6.1	6.0	98
Norway	7.4	7.7	7.6	8.6	4.2	4.7	112
Sweden	12.3	19.6	16.0	14.4	.9	.3	33
Italy	3.5	5.5	17.8	19.5	18.0	11.4	63
Thailand	5.6	7.4	13.9	8.1	6.0	5.2	87
Australia	23.5	18.2	17.6	17.6	12.9	8.2	64
India	(4.8	2.1	2/	2.4	.5	0	---
Pakistan	(	1.6	2.1	2.2	0	2.2	---
New Zealand	6.3	6.7	4.3	4.8	2.6	2.2	85
Philippine Rep.	21.3	1.2	6.1	2/	2/	2/	---
Indonesia	11.3	2.3	.8	3.8	2/	1.2	---
Egypt	4.5	13.1	11.9	14.0	11.9	13.4	113
Japan	5.1	17.2	25.0	22.2	5.0	3.1	62
Spain	4.2	2.4	1.5	1.2	.3	1.2	400
Other countries	43.1	57.7	62.9	61.3	43.1	38.8	90
Total	473.7	504.2	520.0	474.0	205.4	209.1	102

1/ Preliminary.
2/ Less than 50,000 pounds.
Compiled from publications and records of the Bureau of the Census.

Table 14.--Tobacco exports under Government-financed programs, fiscal years 1955-63

Year ending June 30	Public Law 480: Title I, foreign currency sales	Public Law 480: Title III, barter sales	Public Law 480: Title IV, long-term dollar credit sales	Public Law 480: Total	Mutual Security programs	Total under Government financed programs	Total unmanufactured tobacco exports	Exports under Government-financed programs as percentage of total exports
	Quantity (export weight)							
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
1955	5.4	---	---	5.4	22.0	27.4	461.6	5.9
1956	78.9	---	---	78.9	3.5	82.4	577.7	14.3
1957	52.3	---	---	52.3	.8	53.1	500.7	10.6
1958	34.5	0.5	---	35.0	---	35.0	472.3	7.4
1959	41.0	1.5	---	42.5	5.7	48.2	473.3	10.2
1960	41.9	29.4	---	71.3	23.2	94.5	456.6	20.7
1961	40.9	40.4	---	81.3	20.0	101.3	504.2	20.1
1962	25.9	77.4	---	103.3	2.8	106.1	520.0	20.4
1963 1/	29.2	18.0	1.2	48.4	---	48.4	474.0	10.2
	Value							
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Percent
1955	4.0	---	---	4.0	11.4	15.4	306.4	5.0
1956	55.8	---	---	55.8	1.6	57.4	379.5	15.1
1957	36.3	---	---	36.3	.7	37.0	340.1	10.9
1958	25.5	0.4	---	25.9	---	25.9	342.9	7.6
1959	30.5	1.0	---	31.5	2.8	34.3	350.2	9.8
1960	30.9	19.6	---	50.5	18.4	68.9	341.9	20.2
1961	29.5	25.1	---	54.6	16.5	71.1	385.1	18.5
1962	19.3	46.4	---	65.7	1.8	67.5	407.5	16.6
1963 1/	21.6	12.1	1.2	34.9	---	34.9	378.5	9.2

1/ P.L 480 exports preliminary; subject to revision.

Table 15.--Tobacco exports under P. L. 480, Title I (foreign currency sales) and totals by countries, fiscal years 1959-63

(Export weight)

Country	July 1958-June 1959 exports		July 1959-June 1960 exports		July 1960-June 1961 exports		July 1961-June 1962 exports		July 1962-June 1963 exports	
	P. L. 480, Title I	Total	P. L. 480, Title I	Total	P. L. 480, Title I	Total	P. L. 480, Title I	Total	P. L. 480, Title I 1/	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Brazil	0.1	0.1	0.1	0.1	0	2/	0	2/	0	2/
Burma	.1	.1	.4	.5	0.7	0.7	0.2	0.2	0	0
Chile	0	.3	0	.4	.7	1.3	.6	1.0	0	1.5
Colombia 3/	.4	1.1	.2	.7	.5	.8	.5	1.0	0	.2
Congo Republic	0	.8	0	.5	0	.1	0	1.7	2.0	2.3
Ecuador 3/	0	.3	0	.3	0	.4	1.1	1.8	.4	1.5
Egypt	0	4.0	14.2	17.0	10.2	13.1	9.3	11.9	9.6	13.9
Finland	5.7	7.1	4.1	5.4	4.3	8.6	0	8.6	.2	7.2
France	4.1	6.5	1.5	5.7	3.4	5.9	2.3	5.2	0	6.2
Iceland 3/	.6	.7	.5	.7	.5	.6	.5	.6	4/1.0	.8
India	2.7	2.7	.5	.5	2.0	2.1	0	2/	4/2.8	2.4
Indonesia	0	1.6	.2	1.8	2.4	2.3	.8	.8	3.8	3.8
Israel	.3	.3	0	.3	.3	.4	.3	.4	0	.4
Italy	9.8	12.8	3.8	7.5	0	5.5	0	17.8	0	19.5
Pakistan	0	.3	0	1.2	1.6	1.6	4/3.4	2.1	4/2.5	2.2
Poland	0	0	0	0	1.9	1.9	0	2/	0	0
Spain 3/	4.4	4.4	6.9	7.4	4.3	5.6	1.6	1.8	0	1.7
Syria	0	2/	0	0	0	2/	0	2/	.2	.2
Taiwan	2.0	3.3	2.9	3.2	2.1	2.3	.8	2.1	1.4	3.3
Uruguay 3/	1.9	3.1	5.1	5.1	0	3.7	0	4.5	1.3	1.9
Viet Nam 3/	8.9	8.9	1.5	1.5	4/6.0	5.4	4.5	4.5	3.8	3.9
Total, above countries 5/	41.0	58.4	41.9	59.8	40.9	62.3	25.9	66.0	29.2	72.9
Total, all countries 6/		473.3		456.6		504.2		520.0		474.0

1/ Preliminary; subject to revision.
2/ Less than 50,000 pounds.
3/ Includes manufactured tobacco.
4/ P. L. 480 exports exceed Census-reported total probably because of difference in cut-off date of reporting periods.
5/ Based on unrounded data.
6/ Unmanufactured tobacco.

foreign private enterprise entities. In the year ended June 30, 1963, about 1.2 million pounds of tobacco were exported under Title IV, nearly all to Chile; some went to Ecuador. Agreements are also in effect with Ryukyu Islands and Colombia. In August 1963, an agreement was signed with Iraq, providing for the long-term dollar credit sale of approximately 3.3 million pounds of tobacco, valued at about $2½ million.

Another program aimed at encouraging U. S. tobacco exports is the export payment program, announced in February 1962. Payments are made to tobacco exporters from Section 32 funds on export sales (including those under barter arrangements and for foreign currency) of tobacco acquired from Government loan inventories. Tobacco eligible for this program must be from 1956 and earlier crops; the rate of payment is 20 percent of the base purchase price. Final date for making application is November 30, 1963, and for shipment, March 31, 1964.

At the time the program was announced, approximately 150 million pounds of loan tobacco--about 85 percent flue-cured--were eligible for the program. Through September 19, 1963, applications totaling 50 million pounds had been approved, consisting of the following: Flue-cured, 44.3 million pounds; fire-cured, 3.3 million; dark air-cured, 1.2 million; burley, 0.4 million; and cigar leaf, 0.8 million. Included in the total were 21 million pounds of repriced or special offer tobacco, mostly flue-cured. In the year ended June 30, 1963, about 27½ million pounds of tobacco were exported under the Section 32 program, of which approximately 4 million also represented shipments under P.L. 480. In the year before, Section 32 exports amounted to 5.4 million pounds, of which about 200,000 pounds went out under P. L. 480.

For the year ending June 30, 1964, U. S. tobacco exports may be up moderately from the 474 million pounds in 1962-63. Shipments of flue-cured tobacco, the principal export class, are expected to increase in the current marketing year over 1962-63.

Foreign Producing and Exporting Countries

Flue-cured tobacco is the main kind entering international trade, making up around 45 percent of free world tobacco trade in recent years. In world markets, U. S. flue-cured meets competition chiefly from flue-cured exported from the Federation of Rhodesia and Nyasaland, Canada, and India. Turkey and Greece are the main producers and exporters of oriental tobacco, also a light cigarette tobacco. Oriental tobacco ranks second to flue-cured in volume of trade.

The flue-cured crop harvested in early 1963 in Rhodesia-Nyasaland is estimated at about 200 million pounds--down 15 percent from the previous year. The sales season for 1963 Rhodesian flue-cured ended August 16. Sales on the Salisbury auctions totaled 195 million pounds, and averaged the equivalent of 48.6 U. S. cents a pound. In the previous season, 231 million pounds were sold, averaging 40.8 cents. Purchases by United Kingdom buyers on the Salisbury auctions amounted to 108 million pounds, compared with 94 million in 1962.

The target minimum purchase in each year (provided price and quality were satisfactory) was 100-105 million pounds. Purchases by Australia at the 1963 auctions were approximately 3½ million pounds.

Exports of flue-cured from Rhodesia and Nyasaland, which averaged 94 million pounds in 1950-54, climbed to a record 190 million by 1962. In the first 6 months of 1963, the Federation exported 86 million pounds of tobacco, of which 77 million were flue-cured. Total exports were down 6 percent, and those of flue-cured 8 percent, from a year earlier. The United Kingdom, which accounted for over half of the flue-cured exports, took 13 percent more than in January-June 1962. Combined takings by other Commonwealth destinations (accounting for approximately an eighth of all flue-cured exports) increased about 8 percent. But flue-cured exports to West European markets declined over a fifth, and to Japan, dropped to only a small fraction of the 2 million pounds shipped a year earlier. Takings by West Germany were 10.9 million pounds; the Netherlands, 3.3 million, and France, 2.3 million. Compared with the first half of 1962, takings by West Germany and the Netherlands were moderately lower, but to France rose appreciably. Exports to Belgium fell sharply, and none went to Italy, which took a substantial quantity in January-June 1962. Reduced exports also went to Denmark, Austria, Switzerland, and Sweden, but those to Norway increased. Rhodesian flue-cured growers have been asked to aim at a production of 250 million pounds for 1964, to provide ample quantities for export at reasonable prices.

Canada's 1963 flue-cured crop is estimated at 157 million pounds--about a sixth less than a year earlier and about a fifth less than 2 years earlier. Acreage was reduced about 14 percent, and in addition, the crop was affected by frosts early in the season and some damage from hail. The average auction price of the 1962 flue-cured crop in Ontario, where over nine-tenths of Canada's flue-cured is grown, was 51.1 Canadian cents per pound, compared with 52.4 cents in the year before. In January-May, 1963, Canada exported 27 million pounds of flue-cured--22 percent less than a year earlier. The United Kingdom accounted for nine-tenths of the total, reducing takings by about a sixth. Other countries receiving less Canadian flue-cured than in January-May 1962 were West Germany, the Netherlands, and Belgium.

India's 1963 flue-cured production is placed at 148 million pounds about a tenth below 1962. Its 1962 exports of flue-cured tobacco reached an all-time high of 121 million pounds, with substantial quantities exported to the Soviet Union and Soviet bloc countries. Exports of flue-cured in January-May 1963, at 40 million pounds, were over a fourth less than a year earlier. Nearly three-fifths of the total was consigned to the United Kingdom, which reduced takings 20 percent. Sharply less also went to Soviet Union, Poland, and East Germany, but shipments increased to Yugoslavia and France.

In Turkey, the 1963 production of oriental tobacco is estimated at about 265 million pounds--47 percent larger than the below-normal crop of 1962 and

Table 16.--Production of flue-cured and oriental tobacco in specified countries for specified periods

Country	Year of harvest					
	Average 1950-54	Average 1955-59	1960	1961	1962 1/	1963 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
	Flue-cured					
Canada	138.0	150.5	205.5	195.4	188.2	156.8
India	101.9	127.5	157.0	154.6	163.5	147.5
Rhodesia-Nyasaland	117.0	161.9	222.4	236.8	234.4	200.0
Total, countries shown	356.9	439.9	584.9	586.8	586.1	504.3
	Oriental					
Greece	128.3	199.8	143.3	164.0	201.6	220.5
Turkey	214.4	259.4	296.2	217.8	180.0	264.6
Total, countries shown	342.7	459.2	439.5	381.8	381.6	485.1

1/ Preliminary; subject to revision.

Compiled from reports of Foreign Agricultural Service.

third largest on record. Planted acreage is estimated at a record high, but recurrence of blue mold reduced earlier harvest expectations. Turkey's 1962 tobacco exports, at 200 million pounds, exceeded all previous years, but likely will be smaller this year because of reduced production in 1961 and 1962. Exports totaled 76 million pounds in January-May 1963--40 percent less than in the comparable period of 1962. Approximately three-fifths of the total was consigned to the United States, which cut takings about a third. Less than a year earlier also went to West Germany, Czechoslovakia, Hungary, Soviet Union, Switzerland, Austria, and Belgium, and none was reported shipped to Italy and Yugoslavia, in contrast to substantial quantities in January-May 1962. However, increased exports were made to East Germany and France, and Poland took about as much as a year earlier.

The 1963 production of oriental tobacco in Greece, estimated at about 220 million pounds, is 9 percent above 1962 and the second largest on record. Acreage was expanded over an eighth, but adverse weather in the early part of

the season and blue mold damage resulted in some reduction in average yield. Exports in the first 6 months of 1963, at about 57 million pounds, were about a third larger than in the corresponding period of 1962. Shipments to the United States were over 3 times those a year earlier, and comprised nearly half of the total. West Germany and Austria also increased takings, but those by Italy and Switzerland declined. Smaller exports than a year earlier also went to Soviet Union, Yugoslavia, Poland, and Hungary, but East Germany increased its takings appreciably and those by Czechoslovakia rose a little. The Greek Government is encouraging burley production for export, and 1963 production is placed at somewhat over 3 million pounds, compared with 1.2 million in 1962.

Common Market Import Duties and U.S. Tobacco

The European Economic Community (EEC or Common Market), consisting of West Germany, Belgium, the Netherlands, Luxembourg, France, and Italy, ranks second only to the United Kingdom as a foreign market for U.S. tobacco, taking an average of 143 million pounds in 1960-62, or 29 percent of total exports of unmanufactured tobacco. Unless modified in forthcoming tariff negotiations, Common Market import duties will be disadvantageous to the competitive position of U.S. tobacco. The scheduled common duty that will apply ultimately to most unmanufactured tobacco imported into the EEC from outside countries is 28 percent ad valorem, with a minimum equivalent to 13.2 cents a pound and a maximum of 17.2 cents. Members have already moved part way towards these ultimate duties. Previous to the adoption of the common external duty, the import duties in the Benelux countries and West Germany were on a specific basis, and were equivalent to 3.7 cents and 19.4 cents a pound, respectively; imports into France and Italy, where most phases of the tobacco industry are controlled by Government monopoly, were duty-free.

The shift to an ad valorem basis in effect imposes a higher duty on U. S. tobaccos, as they are generally higher priced than Rhodesian and other tobaccos entering the Common Market. Based on average export values in 1962, the current incidence on U. S. flue-cured (unstemmed) is approximately 1 to 2 cents a pound higher than on Rhodesian flue-cured, and calculated on the basis of eventual fully effective rates, it is from 2 to 4 cents a pound higher.

At the same time that duties are being adjusted upwards on imports from outside countries, the Common Market is reducing duties on internal tobacco trade, in line with its objective of eventual free trade among member countries. Internal duties on tobacco have already been cut 50 percent from their 1957 levels, providing improved access to EEC markets for tobacco from Italy and certain overseas territories of member countries. In 1960-62, Italy exported an average of 36 million pounds of unmanufactured tobacco (mainly burley, flue-cured, fire-cured, and oriental), of which 20½ million were exported to West Germany and over 4 million to the Netherlands.

Of further concern is the position of Greece and Turkey in the Common Market. These two countries are the principal producers and exporters of oriental tobacco, which, like flue-cured, is a light cigarette tobacco. EEC duties on tobacco from Greece, an associate member since November 1, 1962, were

reduced 50 percent, and will be completely eliminated by December 31, 1967. In recent years, around two-fifths of total Greek tobacco exports went to the Common Market. Greece is the second largest supplier of tobacco to West Germany, usually the top supplier to France, and a fairly important supplier to Italy, the Netherlands, and Belgium. The 50 percent reduction in import duties results in a substantial cost reduction in Greek leaf to West Germany and some reduction in costs to the Benelux countries; there will be a further reduction in costs when import duties on Greek tobacco are removed completely by the end of 1967. In addition to the preferential duty, Greece has bilateral trade agreements with each of the EEC countries. Production of tobacco in Greece has already been expanded, partly in anticipation of larger exports to the EEC.

After several years of negotiations, an agreement between EEC and Turkey was signed on September 12, 1963. By this agreement (submitted to the respective governments for ratification), Turkey is provided a 5-year preparatory period, extendable for another 5 years. During this period, Turkey will have an annual quota of 12,500 metric tons (about 27½ million pounds) of unmanufactured tobacco for shipment into the EEC at the duty rate charged on Greek tobacco. This provision implies that the quotas will become duty-free no later than the end of 1967. After a second or transitional phase (scheduled to last 12 years), during which Turkey and the EEC are to gradually abolish tariffs and other trade barriers, Turkey will become a full associate member. In 1960-62, Turkey's tobacco exports to the Common Market (mainly West Germany, Belgium, France, and Italy) averaged 38 million pounds. The provision of a quota subject to a reduced duty, with the probability of eventual complete elimination of duty charges, will adversely affect the competitive position of U.S. flue-cured tobacco in the Common Market.

British Tobacco Situation

The United Kingdom is the world's largest importer of tobacco, and the single largest foreign market for U.S. tobacco, on the average accounting for 30 percent of all U.S. exports of unmanufactured tobacco and about 36 percent of U.S. flue-cured exports in 1958-62. Tobacco imports, consisting principally of flue-cured, are used both for home consumption and export of manufactured products, chiefly cigarettes. Cigarettes make up around 85 percent of total tobacco consumption, and most of the remainder is smoking tobacco.

Sales of cigarettes in the United Kingdom increased steadily until 1962, when they declined 3 percent. This has been attributed to renewal of publicity concerning cigarette-smoking and health, and a rise in retail price. (The average price of all cigarettes sold in 1962 was the equivalent of around 57 cents per pack of 20.) Filter-tip cigarettes, gaining in popularity, rose last year despite the dip in overall cigarette sales. In 1962, filter tip cigarettes comprised 26 percent of all cigarettes sold, compared with 19½ percent in 1961 and less than 10 percent as recently as 1958.

In the United Kingdom, gross clearances of tobacco from bond are a measure of total use by manufacturers, both for domestic consumption and export.

Table 17.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks *Dec. 31	Gross clearances from bond 3/			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
	From U. S. 2/	From Commonwealth countries 2/	Total		Non-preferential 2/	Preferential 2/	Total		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average									
1947-49	176	99	293	398	207	68	278	48	1
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	529	169	135	304	41	3
1958	164	145	316	529	172	138	310	41	2
1959	140	155	300	509	171	144	315	34	2
1960	178	180	365	538	167	152	319	31	5
1961	157	182	345	563	161	156	317	31	3
1962 4/	106	168	280	540	153	155	308	28	3
Jan.-July									
1959	24	88	115	5/467	6/85	6/70	6/155	20	1
1960	32	94	129	5/444	6/84	6/77	6/161	19	4
1961	19	105	126	5/474	6/84	6/79	6/163	19	1
1962	15	103	121	5/502	6/75	6/75	6/150	17	2
1963	31	93	127	5/468	6/77	6/78	6/155	17	2

1/ Unmanufactured tobacco.
2/ Since 1946 the full duty rate on tobacco from the United States and other non-preferential areas has been 2.2 to 2.9 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.
3/ Largely withdrawals for manufactures for home use and export.
4/ Subject to revision.
5/ June 30.
6/ January-June.

*Beginning with 1957, stocks not strictly comparable with prior years.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

Table 18.--Unmanufactured tobacco imports into the United Kingdom from major sources, annual 1950-63

Year ending June 30	United States	Rhodesia and Nyasaland	India	Canada	Turkey	Greece	Other	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	162.4	64.9	46.6	15.0	13.7	1.3	5.5	309.4
1951	146.7	82.6	42.1	20.2	1.9	1.0	6.9	301.4
1952	223.1	62.0	43.8	36.2	1.9	1.2	10.8	379.0
1953	105.0	74.0	32.3	12.4	1.2	.8	14.7	240.4
1954	127.4	69.4	34.0	32.3	2.1	1.0	14.6	280.8
1955	151.9	82.7	36.1	40.2	3.5	1.6	10.9	326.9
1956	208.5	60.8	40.2	21.1	3.3	1.9	9.7	345.5
1957	148.6	91.6	36.0	30.4	2.2	.1	7.5	316.4
1958	162.1	78.4	45.6	21.8	2.2	1.4	5.7	317.2
1959	157.7	73.2	47.2	28.8	.3	.2	7.0	314.4
1960	147.2	90.9	39.5	32.1	.1	.3	6.8	316.9
1961	166.7	107.3	45.1	36.3	.4	.3	6.4	362.5
1962	154.1	101.0	37.8	33.7	.3	.4	6.0	333.3
1963 1/	117.6	94.2	32.7	32.2	.4	.3	7.0	284.4
	Percentage change							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average 1950-54 to 1963	-23.1	33.4	-17.8	38.8	-90.5	-72.7	-33.3	-5.9
1962 to 1963	-23.7	-6.7	-13.5	-4.5	33.3	-25.0	16.7	-14.7
	Percentage distribution							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1950	52.5	21.0	15.1	4.9	4.4	.4	1.7	100.0
1951	48.6	27.4	14.0	6.7	.6	.3	2.4	100.0
1952	58.9	16.4	11.5	9.6	.5	.3	2.8	100.0
1953	43.7	30.8	13.4	5.2	.5	.3	6.1	100.0
1954	45.4	24.7	12.1	11.5	.7	.4	5.2	100.0
1955	46.5	25.3	11.0	12.3	1.1	.5	3.3	100.0
1956	60.4	17.6	11.6	6.1	1.0	.5	2.8	100.0
1957	47.0	28.9	11.4	9.6	.7	---	2.4	100.0
1958	51.1	24.7	14.4	6.9	.7	.4	1.8	100.0
1959	50.2	23.3	15.0	9.1	.1	.1	2.2	100.0
1960	46.5	28.6	12.5	10.1	---	.1	2.2	100.0
1961	46.0	29.6	12.4	10.0	.1	.1	1.8	100.0
1962	46.2	30.3	11.4	10.1	.1	.1	1.8	100.0
1963	41.4	33.1	11.5	11.3	.1	.1	2.5	100.0

1/ Subject to revision

Basic data compiled from Accounts Relating to Trade and Navigation of the United Kingdom.

Gross clearances increased steadily from 1953 to 1960, but after slipping 0.6 percent in 1961 declined 3 percent in 1962. In the first half of 1963, gross clearances were 3 percent larger than a year earlier, but were still 5 percent less than 2 years earlier. Gross clearances of flue-cured in January-June of 1963 and the two prior years, by country of origin, were as follows:

	1961	1962	1963
	Million pounds	Million pounds	Million pounds
United States	77.9	69.9	71.3
Rhodesia	42.3	38.6	40.0
India	19.3	17.9	18.5
Canada	14.6	13.9	14.6
4-country total	154.1	140.3	144.4

Domestic consumption (net clearances from bond) showed an increase in April-June 1963 over the same period in 1962 (when the apparent effects of the smoking-health publicity were most pronounced), but remained below April-June 1961. For the first half of 1963, net clearances increased 3 percent over a year earlier, although they were 6 percent below 2 years earlier.

The United Kingdom is second only to the U. S. in exports of cigarettes. Most of Britain's exports of manufactured tobacco are cigarettes. Exports have trended downwards, as a number of Britain's traditional markets have increased local cigarette production; the 1962 exports of manufactured tobacco were only three-fifths as much as 10 years earlier. In January-June 1963, exports of cigarettes were 7 percent larger than in the same months of 1962. Of Commonwealth destinations, slightly fewer cigarettes were exported to Aden, and sharply less to Malaya and Gibraltar; more than a year earlier went to Hong Kong, Persian Gulf States, Jamaica, and Cyprus. More British cigarettes were also shipped to Kuwait, Sudan, France, West Germany, and Togo Republic, but less to Arabian States and Libya.

Imports of unmanufactured tobacco in the year ended June 30, 1963, totaled 284 million pounds-- 15 percent below 1961-62 and the smallest since 1953-54. Although imports from each of the 4 major suppliers were down from the previous year, the largest relative decline occured in imports from the United States. (See table 18.) The main duty on unmanufactured tobacco imported into the United Kingdom from Commonwealth sources is equivalent to $9.70½ a pound, and from non-Commonwealth sources, $9.92 a pound. Tobacco of Commonwealth origin is thus accorded a margin of preference equivalent to about 21½ cents a pound.

At the end of June 1963, stocks of tobacco in the United Kingdom totaled 468 million pounds--about 34 million less than a year earlier, and a little below 2 years earlier. Stocks amounted to about 18 months' use, as represented by July 1962-June 1963 gross clearances. A year earlier, stocks were equal to about 20 months' use, and in the 10 years prior to that, midyear holdings generally were about 17 to 18 months' duration. On June 30, 1963,

British manufacturers' stocks of U.S. flue-cured, at 216 million pounds, were down about an eighth from a year earlier and were the lowest in 8 years. Stocks of Rhodesian flue-cured, at close to 106 million pounds, were almost the same as a year earlier. Stocks of Indian flue-cured, at about 55½ million pounds, were down 9 percent, but those of Canadian flue-cured, at 55 million pounds, increased a little. Mid-1963 holdings of Nyasaland fire-cured declined somewhat, and air- and sun-cured from India and Nyasaland were also smaller than on June 30, 1962.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

The world's largest producer and exporter of tobacco, the United States is also a major tobacco importer, purchasing foreign grown tobacco mainly for blending with domestic types in the manufacture of cigarettes and cigars.

Tobacco imports for consumption in the year ended June 30, 1963, totaled about 163 million pounds--about 1½ percent less than the record high of 1961-62. Over three-fourths of the 1962-63 imports consisted of cigarette leaf, and nearly all the rest was for use in cigars. Imports of cigarette leaf were up slightly, while imports of cigar tobacco from Cuba (since the February 7, 1962 embargo, withdrawals from stocks already in the United States) were reduced. In January-July 1963, total imports were up 1 percent from a year earlier; there was a continued slight gain in cigarette leaf and an appreciable increase in scrap (small pieces of leaves used chiefly in cigars) from sources other than Cuba.

Cigarette leaf imports in 1962-63, at about 127 million pounds, were slightly larger than in the preceding year. Turkey, principal source, provided 4 percent more, but imports from Greece, second ranking supplier, declined about an eighth. Imports from Yugoslavia, which have increased steadily in the past 4 years, rose 32 percent over a year earlier.

Imports for consumption consist principally of merchandise released from Customs custody immediately upon arrival (direct entries) plus withdrawals from bonded warehouses. Imports for consumption of tobacco are usually taken as a measure of manufacturers' use. General imports or total arrivals from abroad represent direct entries plus that placed in bonded storage warehouses. In the year ended June 30, 1963, total arrivals of cigarette leaf dropped to 127 million pounds from 183 million in the previous year. General imports from Turkey fell more than a third and from Greece, about an eighth.

Stocks of foreign-grown cigarette and smoking tobacco in this country on July 1 totaled 297½ million pounds--about 4 million less than the record July 1 stocks a year ago. July 1, 1963, stocks of Cuban tobacco in the United States were a little over 20½ million pounds (unstemmed weight), compared with about 24 million on April 1 and 34 million on July 1, 1962. (See table 20.)

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 19.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Calendar year	Year ending June 30			January-July		
	Average 1950-54	1961	1962 1/	1963 1/	1962 1/	1963 1/	1963 as percentage of 1962
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf							
Unstemmed:							
Turkey	53.8	77.0	79.9	83.3	47.7	49.3	103
Greece	13.3	33.0	33.8	29.7	19.4	16.9	87
Syria	2.8	.7	1.0	.3	.5	.2	40
Italy	1.1	1.9	1.4	1.8	.7	1.2	171
Cyprus	.2	.9	.7	.6	.3	.4	133
Yugoslavia	1.0	6.1	6.6	8.7	3.9	5.2	133
Total 2/	76.4	123.2	126.4	127.3	74.4	75.3	101
Cigar leaf (filler)							
Cuba:							
Stemmed	10.2	5.9	4.5	2.3	2.0	.7	35
Unstemmed	4.3	4.4	4.4	1.9	2.0	.8	40
Philippines, Republic							
Stemmed	.6	0	0	.1	0	.9	---
Unstemmed	.2	.1	.2	1.0	0	3/	---
Colombia	0	.1	.5	.7	.5	0	---
Brazil	0	.1	.4	.8	.2	.3	150
Paraguay	0	.1	.4	.2	.2	3/	---
Dom. Republic	1/	.3	.4	.8	.4	.1	25
Mexico	0	0	3/	.4	3/	.1	---
Total 2/	15.2	11.4	10.9	8.1	5.5	3.6	65
Scrap:							
Cuba	7.6	12.7	10.4	4.1	4.6	2.1	46
Philippines, Republic	1.0	12.2	9.0	10.0	7.1	8.4	118
Peru	0	.8	.2	.1	0	.1	---
Colombia	0	.6	2.2	4.1	1.6	2.6	162
Dominican Republic	0	.5	2.3	3.7	1.6	2.7	169
Netherlands	0	.3	3/	.1	0	.1	---
Indonesia	0	.2	.5	.7	.4	.5	125
Brazil	0	.1	.1	1.1	.1	1.0	1000
Argentina	0	3/	.1	.4	.1	.2	200
Total 2/	8.6	28.7	26.9	26.6	16.8	19.2	114
Cigar wrapper (unst.)							
Indonesia	.8	3/	3/	3/	3/	3/	---
Cuba	.4	.6	.7	.3	.4	.2	50
Total 2/	1.1	.6	.7	.4	.4	.2	50
Total imports 4/	101.9	164.4	165.3	162.7	97.4	98.6	101

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Less than 50,000 pounds. 4/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 20--Stocks of Cuban tobacco in the United States, owned by manufacturers and dealers on specified dates

Year and date	Manufacturers		Dealers		Total unstemmed basis
	Unstemmed	Stemmed	Unstemmed	Stemmed	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1956-58 average					
January 1	6.3	7.8	0.2	0.3	16.3
April 1	6.8	7.6	.2	.3	17.8
July 1	7.9	7.2	.2	.3	17.1
October 1	7.7	7.6	.2	.3	17.6
1959					
January 1	9.8	7.8	.9	.5	20.7
July 1	12.6	8.6	1.5	.5	25.1
1960					
January 1	14.2	9.1	.5	.5	26.3
July 1	24.7	11.1	6.0	.4	44.5
1961					
January 1	22.2	10.3	6.7	.8	42.2
April 1	22.3	10.5	5.5	1.7	42.5
July 1	21.7	10.5	4.5	2.0	41.2
October 1	20.4	10.5	4.0	2.4	39.9
1962					
January 1	18.7	11.4	4.3	2.7	39.9
April 1	18.5	10.6	3.9	2.6	38.3
July 1	16.3	9.6	3.0	2.7	34.1
October 1	16.6	8.2	1.1	2.2	30.2
1963					
January 1	13.3	7.2	2.5	2.4	27.3
April 1	11.4	6.3	2.4	2.2	24.0
July 1	9.5	5.1	2.5	2.0	20.6

Table 21.--United States general imports of cigar tobacco, from principal supplying countries for specified periods

Classification and country	Average 1957-60	Year ending, June 30 1961	1962	1963	January-July 1962	1963	1963 as a percentage of 1962
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigar wrapper (unstemmed):							
Cuba	0.6	0.7	0.5	0	1/	0	---
Indonesia	.1	1/	1/	1/	1/	1/	---
Total	.7	.7	.5	1/	1/	1/	---
Cigar filler (stemmed):							
Cuba	8.9	5.4	4.8	1/	1.3	1/	---
Phillipine Republic	.3	0	0	2.1	0	2.1	---
Brazil	0	0	1/	1.9	1/	1.8	---
Total	9.2	5.4	4.8	4.0	1.3	3.9	300
Cigar filler (unstemmed):							
Cuba	20.3	12.3	9.4	1/	3.5	1/	---
Philippine Republic	1.8	.2	.2	0.1	0	0.1	---
Dominican Republic	1.0	3.5	8.2	6.5	2.7	3.7	137
Colombia	.4	4.6	8.1	8.1	6.4	6.5	102
Brazil	1/	1.3	.9	2.9	.4	2.0	500
Paraguay	.1	1.5	.4	1.8	.2	.7	350
Indonesia	.1	.9	1.7	.8	1.1	1/	---
Netherlands	.3	1.3	.1	1/	0	1/	---
Peru	1.5	0	1/	.4	1/	0	---
Argentina	0	1/	.1	.4	.2	1/	---
Mexico	0	1/	1/	.9	.1	.4	400
Samaica	0	0	.2	.2	.2	0	---
Other	1/	.1	.1	.1	0	1/	---
Total	25.5	25.7	29.4	22.3	14.8	13.6	92
Scrap:							
Cuba	8.0	10.8	4.0	1/	1.6	1/	---
Philippine Republic	7.0	10.9	10.8	9.8	8.4	6.5	77
Dominican Republic	1/	1/	.1	.2	.1	.3	300
Colombia	1/	.1	1/	.1	0	0	---
Brazil	0	0	.2	.3	.2	.1	50
Paraguay	1/	.3	1/	.2	1/	.1	---
Indonesia	1/	.1	0	0	0	0	---
Netherlands	1/	.3	1/	.2	1/	.2	---
Spain	.3	0	0	0	0	0	---
Argentina	0	.1	.1	.6	.1	.1	100
Honduras	0	0	1/	1/	1/	1/	---
Other 2/	.3	.6	.9	.5	.8	.2	25
Total	15.6	23.2	16.1	11.9	11.2	7.4	66
All classifications 3/							
Cuba	37.7	29.2	18.7	1/	6.4	1/	---
Philippine Republic	9.2	11.1	11.0	12.0	8.4	8.7	104
Dominican Republic	1.0	3.5	8.3	6.7	2.8	4.1	146
Colombia	.4	4.7	8.1	8.2	6.4	6.5	102
Brazil	1/	1.3	1.1	5.1	.6	3.9	650
Paraguay	.1	1.8	.4	2.0	.2	.8	400
Indonesia	.2	1.0	1.7	.8	1.1	1/	---
Netherlands	.3	1.6	.1	.2	1/	.2	---
Peru	1.5	0	1/	.4	1/	0	---
Spain	.3	0	0	0	0	0	---
Argentina	0	.1	.2	1.0	.3	.1	33
Mexico	0	1/	1/	.9	.1	.4	400
Jamaica	0	0	.2	.2	.2	0	---
Honduras	0	0	1/	1/	1/	1/	---
Other countries	.3	.7	1.0	.6	.8	.2	25
Total 2/ 3/	51.0	55.0	50.8	38.2	27.3	24.9	91

1/ Less than 50,000 pounds. 2/ Does not include entries under this classification that probably were not for eventual use in cigars: from Turkey, 1957-60 average, 0.6 million pounds; fiscal year 1961, 1.6 million; fiscal year 1962, 1.9 million; fiscal year 1963, 0.7 million; January-July 1962, 0.7 million; January-July 1963, 0.7 million: from Greece, 1957-60 average 0.1 million pounds; fiscal year 1961, 0.3 million; January-July 1961, 0.3 million. 3/ Details may not add to total, due to rounding.

Note: General imports include all arrivals in the United States as distinguished from "imports for consumption" which represent merchandise entering into domestic consumption channels.

Imports for consumption of Philippine scrap in 1962-63 increased 1 million pounds to 10 million, and a sizable gain in imports of unstemmed filler from this source also took place. There is a duty-free quota for Philippine cigar filler and scrap tobacco of 5.2 million pounds annually for 1962-64, and it will be 3.9 million for 1965-67. Imports from the Philippines in excess of the duty-free quota are dutiable at the same preferential rates applicable to Cuba prior to the embargo. Only tobacco licensed by the Philippine Government for export to the United States free of duty is eligible for admission under the duty-free quota. This was provided for by a U. S. law enacted in June 1961, designed to assure that only Philippine cigar filler and scrap, not other Philippine tobacco, would be eligible for duty-free admission. On July 1, 1963, stocks of Philippine tobacco in the United States amounted to about 14 million pounds (unstemmed weight), 7 percent less than a year earlier and about 3 percent less than 2 years earlier.

In 1962-63, substantial increases occurred in scrap tobacco imports for consumption from Colombia, Dominican Republic, and Brazil; there were lesser increases in those from Indonesia and Argentina, and those from Peru declined. More cigar filler, mainly unstemmed, was imported for consumption from Dominican Republic, Brazil, Colombia, and Mexico in 1962-63 than in 1961-62.

Total arrivals (general imports) of cigar tobacco from Brazil, Paraguay, and Argentina jumped in 1962-63, compared with the previous year, and those from the Philippine Republic rose moderately. On the other hand, arrivals declined from Dominican Republic (although they were still sharply above 2 years earlier) and Indonesia, and from Colombia, were about unchanged. (See table 21.)

Stocks of Indonesian tobacco totaled 2.1 million pounds on July 1, 1963, compared with 1.6 million a year earlier and relatively minor holdings as recently as July 1, 1960. Stocks of other foreign-grown cigar leaf (other than Cuban, Philippine, and Indonesian) amounted to 29.8 million pounds on July 1, 1963, compared with 20.5 million a year earlier and 13.3 million 2 years earlier. Holdings as of the recent date consisted of the following: Colombian, 10.3 million pounds; Dominican, 9 million; Brazilian, 4.9 million; Paraguayan, 2.9 million, and other (including cigar tobacco from such countries as Peru, Mexico, and Argentina), 2.7 million.

TRANSFER OF TOBACCO ALLOTMENTS EXTENDED

On July 19, the President approved legislation (Public Law 88-68) extending for 2 additional years--1964 and 1965--the authority to lease tobacco acreage allotments. The law does not apply to burley tobacco, type 31; Ohio cigar filler, types 42-44; nor cigar binder, types 53-55 (principally Wisconsin binder). In the case of Maryland tobacco (type 32), leasing will be limited to those farms which have planted at least 75 percent of their Maryland allotments in each of the two immediately preceding years.

The requirements of earlier legislation will be continued. Leasing will be permitted only between farms in the same county. Not more than 5 acres can

be leased and transferred to any farm, and the total acreage allotted to any farm after the transfer cannot exceed 50 percent of the acreage of cropland on the farm. When normal yield per acre on the farm to which an allotment is being transferred is more than 10 percent higher than on the farm from which transferred, a downward adjustment will be made in the amount of acreage allotment transferred.

By the recent law, holders of allotments so small thay they result in uneconomic operations may transfer such allotments for the 1964 and 1965 crop years. Producers leasing these small allotments to add to the allotment on their own farms then would have larger acreages, which would assist them to operate their tobacco enterprise with improved efficiency. In 1962, the total acreage approved for transfer was approximately 26,000 acres or about 2 percent of the total acreage allotted.

SITUATION AND OUTLOOK FOR TOBACCO LEAF

Flue-cured, Types 11-14

Domestic Use and Exports

In 1962-63, the total flue-cured disappearance (calculated by subtracting July 1, 1963, stocks from the total of July 1, 1962, stocks and the 1962 crop) was 1,208 million pounds--59 million less than in each of the previous 2 years. The major part of the drop was due to a decline in exports, but domestic use also declined slightly. The decline in domestic use, though slight, was hardly to be expected since cigarette manufacture--by far the major outlet--increased 2.6 percent from 1961-62 to 1962-63. It appears likely that some further savings in use of leaf have been possible because of the larger proportion of filter tip cigarettes and some further increase in use of sheet tobacco and stem material. Cigarette output in 1963-64 is expected to gain some over 1962-63, but because of the same reasons as in the last 2 years there is no assurance that the use of leaf will show a proportionate increase.

The 1962-63 exports of flue-cured tobacco at 432 million pounds (farm-sales weight) were 53 million pounds or 11 percent lower than in 1961-62 and second smallest in 8 years. The poorer-than-average quality of last year's crop contributed to the decline and British takings were down, partly because of the uncertain prospects following a report issued on smoking and health.

Exports of flue-cured during 1963-64 are expected to show some recovery, with better quality tobacco available from the 1963 crop and in view of the smaller than expected quantities available from Rhodesia during the season just completed there.

Britain, leading export outlet, reduced her takings from 1961-62 to 1962-63 by 31 percent and took the least for many years. Germany, the second ranking foreign outlet, took 8 percent less than a year earlier when her takings were second largest on record. Ireland was the third ranking outlet for flue-cured in 1962-63; exports were unusually large and about double the volume of

Table 22.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1947-49	1,174	1,458	2,632	1,108	715	393
1950	1,257	1,485	2,742	1,185	757	428
1951	1,453	1,557	3,010	1,279	777	502
1952	1,365	1,731	3,096	1,244	828	416
1953	1,272	1,852	3,124	1,209	778	431
1954	1,314	1,915	3,229	1,173	744	429
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	776	432
1963 2/	1,305	2,281	3,586			

	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1963 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil.
1950	54.7	45.0	77.6	6.2	0
1951	52.4	50.7	142.2	9.8	0
1952	50.3	50.6	5/165.0	12.1	0
1953	52.8	47.9	151.4	11.9	0
1954	52.7	47.9	130.2	9.9	0
1955	52.7	48.3	298.9	20.2	3.4
1956	51.5	48.9	319.9	22.5	5.1
1957	55.4	50.8	107.8	11.1	31.0
1958	58.2	54.6	144.8	13.4	74.8
1959	58.3	55.5	55.3	5.1	20.1
1960	60.4	55.5	51.8	4.1	32.8
1961	64.3	55.5	70.5	5.6	60.8
1962	60.1	56.1	237.2	16.8	234.7
1963		56.6	6/	6/	
Total	---	---	1,952.6	---	462.7

1/ Year beginning July 1.
2/ Subject to revision.
3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ As reported by Flue-cured Tobacco Cooperative Stabilization Corporation; actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.
5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953.
6/ By mid-September 71 million pounds, 10 percent of deliveries were placed under loan.

preceding years. Japan, fourth ranking outlet, took 11 percent less than the record quantity going there in 1961-62, but well above any previous year's takings. Fifth ranking outlet was the Netherlands, taking 23 percent more than in 1961-62, when shipments to her were among the lowest in the past decade. Sixth ranking outlet was Australia, where slightly less was shipped than in 1961-62; in the past 4 years, U. S. tobacco exports to Australia have been substantially below the level of earlier years as that country has pushed expansion of its own tobacco production.

The next ranking outlets were Belgium, Egypt, Italy, Denmark, Thailand, and Sweden. The 1962-63 flue-cured tobacco exports to Belgium were 11 percent below 1961-62 and second smallest in 9 years; exports of flue-cured to Denmark were 5½ percent lower than 1961-62 and lowest in 8 years; those to Sweden were down 26 percent from a year earlier and third smallest in 7 years. Italy took moderately less U. S. flue-cured than in 1961-62 when her takings were record high because of her own reduced production due to blue mold infestation. Thailand got far less U. S. flue-cured in 1962-63 than the large shipments of 1961-62 and the second smallest in 8 years. However, exports of flue-cured to Egypt were 14 percent above a year earlier and second largest on record; foreign currency sales made this possible.

Among the other destinations taking less U. S. flue-cured in 1962-63 than in 1961-62 were Finland, Portugal, Switzerland, Austria, Viet Nam, Pakistan, Hong Kong and Mexico.

1963-64 Supplies

Carryover of flue-cured on July 1, 1963, totaled 2,281 million pounds -- 200 million above a year earlier and largest since 1958. The September 1 estimate of production is 1,305 million pounds--down 103 million from last year when the outturn was third largest on record. Reflecting the decrease in allotments, the 1963 acreage for harvest at about 693,600 is 36,200 acres less than last year. For all Belts combined, yields per acre, indicated as of September 1, averaged 1,882 pounds, 2½ percent below last season's record high but still above any previous year. Average yields in the Georgia-Florida (type 14) and the Eastern North Carolina (type 12) Belts are indicated at new highs; yields in the Border North Carolina-South Carolina Belt (type 13) are moderately below last year's record high, but still well above previous years. Average yields in the Old and Middle Belts (type 11) are indicated to be down about an eighth from last year's record, and lowest in 8 years in Virginia, and in 3 years in North Carolina.

The 1963-64 total supply--carryover plus this year's crop--at 3,586 million pounds is 97 million larger than for 1962-63 and second only to the 1956-57 level. The total supply is equal to about 2.9 times prospective disappearance; this ratio is up slightly from a year earlier and significantly above the ratio of 2.6 two years earlier. Carryover of flue-cured on July 1, 1964, may be near 2,330 million pounds--up about 50 million from last July 1.

The 1964 marketing quota and acreage allotment for flue-cured will be announced by the Secretary of Agriculture by December 1. Growers approved market-

ing quotas on their 1962-64 crops by an overwhelming majority in a referendum held in December 1961.

Prices and Price Support

The 1963 auction market prices for all flue-cured sold this season through September 20 averaged --.-cents per pound, compared with --.-cents during the similar period last season. Price supports were available on untied tobacco of lugs, primings, and nondescript grades during the first 7 days of the current marketing season in each of the Belts that prior to 1962 had only tied tobacco sales. Tied tobacco receives price support during the entire season. Last season, price supports were available on the specified grades of untied tobacco only during the first 5 days of marketings but for the remainder of the season were available on tied tobacco. (Type 11a was an exception.) Price supports for untied tobacco on a grade basis are 6 cents per pound lower than for tied tobacco. The overall support level for the 1963 crop of flue-cured is 56.6 cents per pound--a half-cent above that for the 1962 crop.

In the Georgia-Florida Belt, where all tobacco traditionally has been marketed untied, auctions were held from July 25 through August 30. Volume sold was 4 percent smaller than last year but third largest on record. Prices averaged 56.9 cents per pound, compared with 56.5 cents in 1962. Prices were above last season for about three-fourths of the grades, but the increase in the percentage of nondescript offerings meant more lower quality tobacco than last season. Growers placed about 5½ million pounds under Government loan, compared with 4.9 million in the 1962 season.

Auctioning in the Border Belt began August 1. During the first 7 sales days when untied tobacco could be marketed,32 million pounds were marketed in this form 82 percent of the total of both tied and untied. For the season through September 20, 289 million pounds of tobacco had been marketed in this belt at an average of 59.5 cents per pound. This was 1.8 cents below the average price in the similar period of last season; in the 1962 season about 22 million pounds were sold untied in this Belt. Through September 20, 13 percent of total tobacco deliveries was placed under Government loan--a considerably larger proportion than last season and the most in several years.

Auctions in the Eastern Belt started August 22. During the first 7 sales days when untied tobacco cound be marketed, about 13½ million pounds were marketed in this form--40 percent of the total of both tied and untied. For the season through September 20, 193 million pounds of tobacco had been marketed in this belt at an average of 56.9 cents per pound. In the comparable period of the 1962 season, prices averaged 59.5 cents per pound; last season 20 million pounds were sold untied in this Belt.

In the Middle Belt, markets opened September 9--several days later than in 1962. During the first 7 sales days, untied tobacco totaled 2.7 million pounds, 13 percent of total tied and untied marketed. In 1962 3.6 million pounds was marketed untied in the Middle Belt. For the season through September 20, prices averaged 56.8 cents per pound--about 3 cents lower than in the comparable period last season.

Old Belt markets started on September 23--about 2 weeks later than last season. Opening day prices (when both tied and untied tobacco composed marketings) averaged 58.7 cents per pound, a little below a year earlier.

In the 1962 season as a whole, 237 million pounds were placed under Government loan--the largest amount in 6 years. During the year ended June 30, about 114 million pounds were sold by the Flue-Cured Tobacco Cooperative Stabilization Corporation--the organization that carries on the Government price-support operations for flue-cured tobacco. Loan stocks of flue-cured on June 30, 1963, totaled about 474 million pounds (farm-sales weight)--up more than one third from a year earlier. During the current season through September 20, about 71 million pounds had been received under Government loan from the 1963 crop. During July-August, Stabilization sold about 11¼ million pounds of old crop tobaccos.

In accordance with the law, 1964 price supports for tobacco will be calculated by increasing the 1959 support levels to reflect the advance in the parity index from 1959 to its average level for calendar years 1961, 1962, and 1963. The parity index is the index of prices paid by farmers, including interest, taxes and farm wage rates. If the parity index continues near its recent level for the remainder of this year, the average parity index for 1961-63 will be 3 percent higher than the parity index for 1959. If this should be the case, the support level for 1964 flue-cured would be about 3 percent above the 1959 level and about 1 percent above the 1963 support level of 56.6 cents per pound.

In effect, calculations of tobacco price supports take into account the increase in prices paid by farmers and adjust tobacco price supports for the next season by a similar percentage. The periods compared in measuring the increase are 1959 with the most recent 3-year average.

Burley, Type 31

Domestic Use and Exports

Disappearance of burley in the October 1962-September 1963 marketing year is estimated at 581 million pounds, 2 percent above the previous year. In the past 4 seasons, both domestic disappearance and exports increased steadily, and 1962-63 may be the fifth year of successive gains.

The 1962-63 domestic disappearance is estimated at about 530 million pounds, 5 million above 1961-62 and a new high. The major outlet for burley is in the manufacture of cigarettes, which in the period October 1962-July 1963

Table 23.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:						
1947-49	550	939	1,489	530	493	37
1950	499	1,000	1,499	518	488	30
1951	618	981	1,599	538	506	32
1952	650	1,061	1,711	548	519	29
1953	564	1,163	1,727	529	494	35
1954	668	1,198	1,866	519	486	33
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	*581	*530	*51
1963 2/	685	*1,231	*1,916			

	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1963 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	49.0	45.7	44.2	8.9	0
1951	51.2	49.8	97.3	15.7	0
1952	50.3	49.5	103.9	16.0	0
1953	52.5	46.6	102.1	18.1	0
1954	49.8	46.4	221.4	33.2	0
1955	58.6	46.2	73.1	15.6	0
1956	63.6	48.1	6.0	1.2	0
1957	60.3	51.7	16.6	3.4	6.0
1958	66.1	55.4	11.2	2.4	1.2
1959	60.6	57.2	13.2	2.6	7.2
1960	64.3	57.2	8.4	1.7	7.5
1961	66.5	57.2	10.3	1.8	10.2
1962	58.5	57.8	63.5	9.4	61.7
1963		58.3			
Total	---	---	771.2	---	93.8

1/ Year beginning October 1
2/ Subject to revision.
3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.
* Preliminary estimates.

was 2.7 percent higher than a year earlier. Sizable quantities of burley also are used in the manufacture of smoking tobacco and plug chewing. In October 1962-July 1963, output of these products was about 1 percent and 3½ percent, respectively, below a year earlier.

Some further gain in domestic use of burley is likely in 1963-64, reflecting the expected continued increase in cigarette output.

Exports of burley in 1962-63 may be near 51 million pounds (farm-sales weight)--6 million above 1961-62 and surpassing any previous year. During October 1962-July 1963 (five-sixths of the marketing year), burley exports were 12 percent larger than a year ago. West Germany, leading outlet, reduced takings 5 percent, but exports to Italy and Portugal were about 1½ and 3 times, respectively, those a year earlier. Italy's takings were largest since 1946-47, and reflected reduced domestic crops due to blue mold damage and its desire to maintain exports. Exports to Sweden and Egypt were up 10 and 37 percent, respectively, and to the Netherlands, nearly tripled. Austria took the largest quantity since 1954-55--75 percent above October 1961-July 1962. Hong Kong more than doubled its year-earlier takings to the most on record, while takings by France and Thailand also increased. Exports to Denmark in October 1962-July 1963 were little changed from a year ago. However, Mexico cut takings a half, and there were also declines in shipments to Finland, Belgium, and Norway.

Burley exports likely will continue to increase in the years ahead, as American-type blended cigarettes are growing in popularity abroad. Some U.S. brands are being manufactured abroad under licensing arrangements, and some also are being manufactured in subsidiary plants in foreign countries.

1963-64 Supplies

The carryover of burley on October 1, 1963, is estimated at near 1,230 million pounds, 8 percent above a year earlier and largest in 5 years. The September estimate of the 1963 crop is 685 million pounds--10 million above the previous year's outturn and a new record. Acreage for 1963 was practically unchanged; acreage allotments for most farms were the same as last year. The prospective average yield rose a little to 2,023 pounds per acre, the first time that the average for the entire belt is indicated to exceed the ton level.

The 1963-64 total supply of burley--carryover plus the new crop--will be about 1,916 million pounds, about 6 percent more than in 1962-63 and the highest on record. Prospective 1963-64 supplies are equal to 3.2 times probable disappearance, compared with a ratio of 3.1 in 1962-63 and 3.6 in 1954-55. Carryover of burley on October 1, 1964, will probably show a further moderate increase over the estimated level of this year.

Government loan stocks of burley, which amounted to 33 million pounds (farm-sales weight equivalent) on October 1, 1962--the start of the marketing year--amounted to 94 million on August 31, 1963. Although appreciably more than a year earlier, August 31 Government holdings were sharply below levels of 1953-59, when they ranged from approximately 200 million to over 400 million pounds.

The 1964 burley marketing quota and acreage allotment will be announced by the Secretary of Agriculture by February 1, 1964. Marketing quotas were approved for the 1962-64 crops by the overwhelming majority of burley growers voting in a February 1962 referendum.

Price Supports and Prices

The price support level for the 1963 crop of burley is 58.3 cents a pound--$\frac{1}{2}$ cent or close to 1 percent higher than the overall level for the 1962 crop. Price support will continue for the 1964 crop, as a marketing quota will be in effect. Under the present method for determining support levels for tobacco, the 1964 support level for burley and other eligible kinds will be determined by comparing the average of the parity index for 1961, 1962, and 1963 with the 1959 average and applying a similar percentage change to the respective 1959 support levels. (The parity index is the index of prices paid by farmers, including interest, taxes, and farm wage rates.) Should the parity index for the rest of this year remain near the level of recent months, the overall support level for 1964 burley will be 1 percent higher than the 58.3 cents in effect for the current crop.

The 1962 crop of burley sold at an average price of 58.5 cents a pound, 8 cents less than the record price received for the 1961 crop and lowest since 1954. Close to a tenth of the crop went under loan, the largest proportion in 7 years.

Auction markets for sales of the 1963 crop are expected to begin in late November.

Maryland, Type 32 3/

Domestic Use and Exports

Total disappearance of Maryland tobacco in the October 1962-September 1963 marketing year is estimated at about 32 million pounds, about 2 percent less than in 1961-62. Domestic use is estimated at about 20 million pounds, compared with about $20\frac{3}{4}$ million in 1961-62 and a 1956-60 average of nearly 23 million. The principal outlet for Maryland tobacco is in the manufacture of cigarettes. Use for this purpose is estimated to be below levels of the mid-1950's despite a substantial increase in cigarette output since then. Certain grades of Maryland tobacco are also used as fillers in some cigars, the quantity varying according to availability and prices of desired grades.

Exports of Maryland tobacco in the marketing year just ending may approximate 12 million pounds, farm-sales weight, about the same as in 1961-62. In the first 10 months of 1962-63, exports of Maryland were about an eighth above a year earlier, but this rate probably was not maintained in the final two months.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year (the 12-month period, October 1 through September 30). Disappearance is calculated on the October-September basis.

Table 24.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/ Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:						
1947-49	38.0	45.8	83.8	35.6	27.6	8.0
1950	40.0	53.4	93.4	35.5	27.1	8.4
1951	41.6	59.3	100.9	33.3	26.7	6.6
1952	40.2	64.9	105.1	40.3	32.5	7.8
1953	40.5	65.4	105.9	36.4	28.4	8.0
1954	43.8	68.6	112.4	36.1	27.9	8.2
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	39.4	67.3	106.7	* 32.0	*20.0	* 12.0
1963 3/	32.0	*75.0	*107.0			

Year	Average price per pound	Price support level 4/	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on Aug. 31, 1963 5/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	48.2	48.6	5.5	13.8	0
1951	44.8	No price support 6/			
1952	48.8	No price support 6/			
1953	54.5	50.4	6.7	16.5	0
1954	40.3	No price support 6/			
1955	50.8	No price support 6/			
1956	51.7	47.0	3.3	9.0	0
1957	44.9	48.0	5.9	15.3	1.8
1958	62.5	50.8	1.1	3.6	.5
1959	61.6	No price support 6/			
1960	63.8	50.8	1.6	4.6	.7
1961	62.0	50.8	3.7	9.5	2.9
1962	7/53.5	51.3	6.0	15.2	6.0
1963		51.8			
Total	---	---	33.8	---	11.9

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. 7/ Auction market average.
*Preliminary estimates.

Shipments to Switzerland--the usual principal market--declined 8 percent in October 1962-July 1963, and less Maryland than a year earlier also went to Belgium, West Germany, France, and Tunisia. On the other hand, Portugal took 1.1 million pounds, in contrast to insignificant quantities a year earlier. The Netherlands took moderately more, and some Maryland went to Viet Nam and Morocco.

1963-64 Supplies

Carryover of Maryland tobacco on January 1, 1964, may be around 75 million pounds, about a tenth more than a year earlier and the most since 1955. The September estimate of the 1963 Maryland crop is 32 million pounds--approximately 7½ million less than the relatively large crop estimated for 1962. Acreage for harvest is indicated to be down a little from last year, and the average yield is estimated to be the smallest since 1959; dry weather persisted through much of the growing season. Acreage allotments for most farms are the same as last year. This year's crop plus the estimated carryover will provide a 1963-64 total supply of 107 million pounds--virtually the same as for 1962-63.

The 1964 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1, 1964. Marketing quotas for the 1963-65 crops were approved by Maryland growers in last February's referendum by a large majority.

Price Supports and Prices

The 1963 crop of Maryland tobacco, to be marketed next spring and summer, will receive Government price support at an average level of 51.8 cents a pound --½ cent or 1 percent above the support level in effect for the 1962 crop. The support level for 1964 Maryland tobacco will be determined in the same manner as for flue-cured (see page 46). However, the adjustment is made to what would have been the 1959 support level for Maryland had a marketing quota applied to that year's crop. If the parity index for the remainder of this year stays near the level of recent months, the overall support level for 1964 Maryland tobacco will be about 1 percent higher than the 51.8 cents per pound in effect for the current crop.

This year, auction sales for 1962-crop Maryland began April 23 and ended July 12. Also available was the Baltimore hogshead market, which opened for competitive bidding April 25. Auction sales totaled 33.1 million pounds and averaged 53½ cents per pound--8 cents less than in the preceding season and lowest in 5 years. Sales volume increased a little; quality of offerings was poorer than last year. The Government support level for 1962-crop Maryland was 51.3 cents a pound. Deliveries for Government loan amounted to 15 percent of the crop, compared with about 10 percent the year before.

In addition to the volume sold at this year's auctions, about 6½ million pounds were received at the Baltimore hogshead market by September 19.

Table 25.--Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1947-49	12.9	22.5	35.4	12.8	5.3	7.5
1950	12.8	23.1	35.9	11.3	5.9	5.4
1951	13.4	24.6	38.0	11.0	6.3	4.7
1952	12.2	27.0	39.2	10.5	5.5	5.0
1953	9.2	28.7	37.9	11.7	6.9	4.8
1954	10.6	26.2	36.8	10.2	6.0	4.2
1955	10.5	26.6	37.1	12.7	6.7	6.0
1956	10.7	24.4	35.1	10.3	4.8	5.5
1957	8.6	24.8	33.4	9.6	4.2	5.4
1958	9.4	23.8	33.2	10.7	5.3	5.4
1959	10.0	22.5	32.5	10.3	4.9	5.4
1960	8.9	22.2	31.1	10.2	4.0	6.2
1961	9.8	20.9	30.7	10.8	#5.5	5.3
1962	9.5	19.9	29.4	*9.6	*4.0	*5.6
1963 2/	7.9	*19.8	*27.7			

	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1963 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	36.3	34.3	2.4	18.8	0
1951	39.2	37.4	2.6	19.4	0
1952	35.5	37.1	2.4	19.7	0
1953	35.6	35.0	.7	7.6	0
1954	34.4	34.8	2.1	19.8	0
1955	31.3	34.6	1.8	17.1	0
1956	39.5	36.1	1.7	15.9	1.2
1957	38.7	38.8	1.0	11.6	.7
1958	36.9	38.8	2.2	23.4	1.4
1959	37.6	38.8	.8	8.1	.5
1960	39.4	38.8	.3	3.3	.3
1961	38.8	38.8	.9	9.8	.9
1962	38.8	39.2	1.2	12.6	1.1
1963		39.6			
Total	---	---	20.1	---	6.1

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
5/ Negligible. # See June 1963 Tobacco Situation, pp. 38-39, for discussion of this figure.
*Preliminary estimates.

Table 26.--Fire-cured tobacco, types 22-23 1/: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1947-49	64.4	132.1	196.5	57.3	30.7	26.6
1950	45.4	141.8	187.2	64.6	30.7	33.9
1951	46.1	122.6	168.7	48.8	25.8	23.0
1952	46.0	119.9	165.9	48.3	24.2	24.1
1953	39.7	117.6	157.3	49.5	26.0	23.5
1954	51.6	107.8	159.4	48.9	23.9	25.0
1955	54.7	110.5	165.2	52.0	24.6	27.4
1956	59.9	113.2	173.1	52.3	27.5	24.8
1957	41.9	120.8	162.7	53.3	29.5	23.8
1958	33.9	109.4	143.3	44.1	24.6	19.5
1959	43.1	99.2	142.3	41.1	22.5	18.6
1960	36.5	101.2	137.7	44.9	23.9	21.0
1961	43.3	92.8	136.1	46.7	#17.2	29.5
1962	44.6	89.4	134.0	*42.5	*22.0	*20.5
1963 3/	47.9	*91.5	*139.4			

	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on Aug.31, 1963 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	29.7	34.3	9.8	21.6	0
1951	40.3	37.4	4.9	10.6	0
1952	38.1	37.1	8.5	18.4	0
1953	33.3	35.0	7.5	18.9	0
1954	38.5	34.8	4.8	9.3	0
1955	38.4	34.6	7.9	14.4	0
1956	36.1	36.1	18.6	31.1	7.3
1957	36.4	38.8	13.9	33.1	5.1
1958	38.1	38.8	4.4	12.0	2.0
1959	38.3	38.8	5.3	12.3	3.8
1960	43.3	38.8	3.2	8.7	2.8
1961	40.2	38.8	5.1	11.8	4.6
1962	38.7	39.2	8.6	19.3	8.6
1963		39.6			
Total	---	---	102.5	---	34.2

1/ Type 24 included until early 1950's when it became practically nonexistent.
2/ Year beginning October 1.
3/ Subject to revision.
4/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. # See June 1963 Tobacco Situation pp. 38-39 for discussion of this figure.
*Preliminary estimates.

Fire-Cured, Types 21-23

Domestic Use and Exports

Disappearance of the fire-cured types in the marketing year that began October 1962 is estimated at about 52 million pounds--about $5\frac{1}{2}$ million less than in 1961-62. Although domestic disappearance is indicated to be up appreciably from the unusually-low figure computed for 1961-62, the gain is more than offset by a drop in exports. Domestic use is estimated at about 26 million pounds. For a valid comparison, this figure should be considered against the average of the 2 preceding marketing years, not 1961-62 alone. (See June 1963 Tobacco Situation, pp. 38-39.) On such a basis, the indicated 1962-63 domestic disappearance of fire-cured shows a small increase.

Exports of fire-cured in 1962-63 are placed at about 26 million pounds (farm-sales weight)--a fourth lower than the previous year's shipments, largest in over a decade. In the first 10 months of the 1962-63 marketing year, exports of Kentucky-Tennessee fire-cured fell 34 percent below a year earlier. Exports to the Netherlands--leading outlet--were only a third as much as in October 1961-July 1962, and France--second ranking market--took 3 percent less. Takings by Belgium were down only a little but Switzerland cut takings 36 percent. Smaller shipments than a year earlier were also made to Sweden, West Germany, and Denmark. On the other hand, there was a big jump in exports to Congo Republic, and increased shipments went to Italy, Ireland, Viet Nam, and Indonesia.

In the first 10 months of 1962-63, exports of Virginia fire-cured were 9 percent above a year earlier. Norway and the United Kingdom together accounted for over two-thirds of the total. Exports to Norway declined almost a fourth but those to the United Kingdom about doubled. More Virginia fire-cured than a year earlier also went to Sweden, West Germany, and New Guinea, but less went to Switzerland.

1963-64 Supplies

Carryover of the combined fire-cured types on October 1, 1963, is estimated at approximately 111 million pounds, about 2 percent more than a year earlier but otherwise lowest since 1946. The September estimate of this year's crop is about $55\frac{3}{4}$ million pounds, 3 percent higher than the 1962 outturn. Acreage of Kentucky-Tennessee types 22-23 is estimated to be the same as in 1962, but the average yield is indicated to be the highest on record and production is estimated to be up 7 percent to the largest since 1956. However, production of Virginia fire-cured, type 21, is estimated to be down a sixth to the smallest on record, principally due to a drop in the average yield per acre, to the lowest in 10 years.

Total supplies of fire-cured tobacco in 1963-64 are estimated at about 167 million pounds--2 percent more than in 1962-63. Indicated supplies of the Kentucky-Tennessee types are 4 percent larger, but those of Virginia fire-cured are down 6 percent and a record low. Carryover of fire-cured on October 1, 1964, may increase some over its current level.

The 1964 marketing quotas for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1. Within 30 days following the announcement, a referendum will be held in which growers of the 3 fire-cured types will vote on whether they favor marketing quotas for their 1964, 1965, and 1966 crops. Approval by at least two-thirds of the growers voting in the referendum is necessary before marketing quotas can continue in effect. In the last referendum (February 1961), 98 percent of the farmers voting favored marketing quotas on their next 3 crops.

Price Supports and Prices

If marketing quotas are approved in the forthcoming referendum, Government price support will continue for the 1964 fire-cured crop. The support level for 1964 fire-cured will be determined in the same manner as for flue-cured. (See page 46.) Should the parity index during the rest of this year remain near the level of recent months, the overall support level for the 1964 crop of fire-cured will be 1 percent higher than the 39.6 cents in effect for the current crop.

The 1962 season average price for the combined fire-cured types was 38.7 cents a pound--3 percent below 1961. Virginia fire-cured averaged 38.8 cents a pound--unchanged from the preceding year. The season average for Kentucky-Tennessee type 22 was 39.7 cents--2½ percent below the previous year. For Kentucky-Tennessee type 23, the 1962 season average was 36.1 cents--7 percent less than a year earlier.

Growers placed about 9¾ million pounds of fire-cured (about 18 percent of the combined crop) under Government loan. These placements were the largest in 5 years, both in volume and as a percentage of total crop. Loan receipts of all three types were up from the previous year, the largest relative increase occurring in type 23.

Dark Air-Cured and Sun-Cured, Types 35-37

Domestic Use and Exports

Total disappearance of dark air-cured and sun-cured is estimated at about 22¾ million pounds for the October 1962-September 1963 marketing year--approximately 2 million below 1961-62. The reduction is estimated to have occurred mainly in domestic use, which is placed at about 18 million pounds, compared with approximately 19¾ million in the previous year. The main outlet for dark air-cured in this country is the manufacture of plug, twist and fine-cut chewing tobacco. Output of these products in October 1962-July 1963 was 2 percent below a year earlier.

Exports of dark air-cured and sun-cured in 1962-63 (including an allowance for Black Fat) are estimated at about 4¾ million pounds (farm-sales weight)--a little less than in 1961-62. Shipments of Black Fat probably gained some, but this was more than offset by an indicated decline in those of One Sucker and Green River leaf. In the first 10 months of 1962-63, exports

Table 27.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic	Disappearance 1/ Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:						
1947-49	33.0	71.2	104.2	30.4	21.3	9.1
1950	25.0	76.8	101.8	32.9	22.6	10.3
1951	27.7	68.9	96.6	26.4	18.5	7.9
1952	30.1	70.2	100.3	25.2	19.2	6.0
1953	23.6	75.2	98.8	26.7	20.1	6.6
1954	30.4	72.1	102.5	25.9	16.3	9.6
1955	27.8	76.6	104.4	23.6	18.4	5.2
1956	30.7	80.8	111.5	34.0	23.4	10.6
1957	19.8	77.5	97.3	24.8	18.5	6.3
1958	16.1	72.5	88.6	25.0	17.5	7.5
1959	19.3	63.6	82.9	21.9	16.4	5.5
1960	18.2	61.0	79.2	22.0	17.3	4.7
1961	20.6	57.2	77.8	22.6	17.9	4.7
1962	22.5	55.2	77.7	*20.5	*16.0	*4.5
1963 2/	23.4	*57.2	*80.6			

Year	Average price per pound	Price support level 3/	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on Aug. 31, 1963 4/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	23.2	30.5	4.1	16.3	0
1951	34.3	33.2	7.3	26.4	0
1952	31.6	33.0	5/9.9	32.9	0
1953	25.2	31.1	7.5	31.8	0
1954	34.3	30.9	7.2	23.7	0
1955	31.8	30.8	6.3	22.7	0
1956	34.0	32.1	6.6	21.5	4.7
1957	36.1	34.5	3.0	15.2	2.4
1958	38.4	34.5	.5	2.7	.3
1959	34.5	34.5	3.7	19.2	3.6
1960	37.4	34.5	2.2	12.2	2.1
1961	37.8	34.5	1.9	9.2	1.9
1962	36.2	34.8	4.1	18.2	4.1
1963		35.2			
Total	---	---	64.3	---	19.1

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957-- 66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
5/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953.
* Preliminary estimates.

Table 28.--Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:						
1947-49	3.0	3.6	6.6	3.0		
1950	3.6	4.0	7.6	3.5	3.0	0.5
1951	4.0	4.1	8.1	3.8	3.1	.7
1952	3.7	4.3	8.0	4.0	3.4	.6
1953	2.9	4.0	6.9	3.2	2.7	.5
1954	3.7	3.7	7.4	3.2	2.7	.5
1955	3.3	4.2	7.5	2.9	2.1	.8
1956	3.2	4.6	7.8	2.5	1.9	.6
1957	2.7	5.3	8.0	2.5	1.9	.6
1958	1.9	5.5	7.4	2.5	2.2	.3
1959	2.2	4.9	7.1	1.9	1.6	.3
1960	1.8	5.2	7.0	2.0	1.7	.3
1961	2.2	5.0	7.2	2.1	1.8	.3
1962	2.3	5.1	7.4	*2.2	*1.9	*.3
1963 2/	1.8	*5.2	*7.0			

	Average price per pound	Price support level 3/	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on Aug. 31, 1963
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.
1950	33.9	30.5	34	0.9	0
1951	34.6	33.2	59	1.5	0
1952	31.6	33.0	84	2.3	0
1953	31.8	31.1	24	.8	0
1954	32.2	30.9	123	3.3	0
1955	25.3	30.8	72	2.2	0
1956	35.7	32.1	103	3.2	0
1957	34.0	34.5	11	.4	0
1958	36.8	34.5	29	1.5	0
1959	34.4	34.5	24	1.1	0
1960	37.9	34.5	4	.2	0
1961	39.8	34.5	7	.3	0
1962	37.4	34.8	59	2.6	0
1963		35.2			
Total	---	---	633	---	0

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

* Preliminary estimates.

of One Sucker were about a third smaller than a year earlier. Belgium accounted for nearly 85 percent of the total. Some One Sucker also went to Trinidad and Congo Republic. Exports of Green River were down more than a fourth from a year earlier. Most of the total went to the Congo Republic and the United Kingdom, which increased takings 56 and 37 percent, respectively, over a year earlier. But none was reported shipped to Belgium--leading outlet in 1961-62.

In recent years, an average of well over half of all exports of dark air-cured tobacco has been in the form of Black Fat, a semi-processed product intended especially for sale abroad. In the 1953-60 marketing years, exports of Black Fat ranged mostly between 4 and 5 million pounds, but declined to 3.8 million in 1961-62. In the first 10 months of 1962-63, exports of Black Fat were about 11 percent larger than a year earlier. Exports to Nigeria--leading market--dropped about a sixth, but those to Ghana--second ranking market--rose 33 percent. Western Africa more than tripled her year-earlier takings, and there was also a big jump in shipments to Spanish Africa. Cameroun and Bahamas took less Black Fat than a year ago.

1963-64 Supplies

October 1, 1963, stocks of dark air-cured and sun-cured are estimated at near 62 million pounds--about 3 percent more than last October but otherwise the third lowest in 17 years. The September estimate of the 1963 crop is 25¼ million pounds-- 2 percent more than in 1962 and largest since 1956. Acreage and average yields for dark air-cured, types 35-36, are indicated to be up a little. Acreage of Virginia sun-cured is estimated to have increased some, but due to dry weather the average yield per acre is indicated to be the lowest in 8 years, and this year's crop is estimated to be down a fifth. Acreage allotments for dark air-cured and sun-cured tobacco farms are the same as in 1962.

Total supplies for 1963-64--October 1 stocks plus this year's crop--are estimated at 87½ million pounds, about 2½ million more than for the current year. Supplies of types 35-36 are indicated to be nearly 4 percent larger, while those of type 37 show a 5 percent decline. October 1, 1964, carryover of the combined types may increase a little over the current level.

By February 1, 1964, the Secretary of Agriculture will announce 1964 marketing quotas and acreage allotments for dark air-cured and Virginia sun-cured tobacco. Shortly thereafter, a referendum will be held in which producers of dark air-cured (types 35-36) will vote on whether they favor marketing quotas on their 1964, 1965, and 1966 crops. Approval by at least two-thirds of the growers voting is required before marketing quotas can continue in effect. In the last referendum, held February 1961, close to 99 percent of growers of types 35-36 who voted approved quotas for their next 3 crops. Producers of Virginia sun-cured, type 37, approved marketing quotas for their 1962-64 crops in a referendum held February 1962.

Price Supports and Prices

Government price support will continue for the 1964 crop of Virginia sun-cured, and, provided marketing quotas are not disapproved in the forthcoming referendum, for 1964 dark air-cured, types 35-36. The support level in effect for 1963 dark air- and sun-cured is 35.2 cents a pound--1 percent higher than in 1962. The support level for 1964 dark air-cured and Virginia sun-cured will be determined in the same manner as for flue-cured. (See page 46.) Should the parity index for the remaining months of this year stay near the level of recent months, the overall support level for 1964 dark air-cured and sun-cured will be 1 percent higher than the 35.2 cents in effect for the current crop.

Last season, the combined dark air- and sun-cured crop brought an average of 36.3 cents a pound--4½ percent below the near-record average in 1961. One Sucker averaged 36.7 cents--6 percent less than in the previous year. The 1962 crop of Green River averaged 35.1 cents--slightly under the average for the year before. The price average for 1962 Virginia sun-cured, at 37.4 cents, was 6 percent less than the record price for the 1961 crop but still third highest ever received.

During the 1962 crop marketing season, growers placed about 2.3 million pounds of One Sucker and 1.8 million pounds of Green River under Government loan. Placements of both types were substantially larger than in the previous year, and were equal to 15 percent and 23 percent of the respective crops. Loan placements of Virginia sun-cured usually are minor; in 1962, they amounted to 59,000 pounds, about 2½ percent of the crop.

Cigar Tobacco, Types 41-62

Disappearance and Exports

Filler: The 1962-63 disappearance of Pennsylvania filler probably will reach 50 million pounds--up 4½ million from the comparatively low 1961-62 figure and second largest in 7 years. The 1962-63 disappearance of Ohio filler is estimated at 6½ million pounds--up from the unusual low of 1961-62 and about the same as in 1960-61. The disappearance of Puerto Rican filler is estimated at about 32 million pounds--about equal with the comparatively-high level of 1961-62 when it was 5½ million pounds larger than the average of the preceding 2 years.

The major part of the U. S. cigar filler types is used domestically as cigar filler. Also, a significant quantity of Pennsylvania tobacco is used in scrap chewing. The use of Pennsylvania tobacco in binder sheet has increased and it is the single most important type used for this purpose. In the past year, though still relatively small, an increased amount of Puerto Rican tobacco was used in binder sheet. Exports of cigar filler in 1962-63 totaled about 200,000 pounds, mainly to Canada and Mexico.

Foreign cigar tobacco: During October 1962-June 1963, the use of Cuban tobacco at about 10 million pounds (unstemmed equivalent) was down about 40 percent from that used in the comparable period of 1961-62 and down about 50

percent from the like period of 1960-61. During October 1962-July 1963, imports for consumption from the Philippine Republic at about 14 million pounds (unstemmed equivalent) were about 54 percent larger than in the comparable period of 1961-62. Comparing the same periods, imports for consumption of tobacco from Colombia and Dominican Republic were each about $4\frac{3}{4}$ million pounds--both up 50 percent from a year earlier. Imports for consumption from Brazil at over 2 million pounds (unstemmed equivalent) were 5 times as much as a year earlier. There were smaller though significantly-increased imports from Indonesia, Paraguay, Mexico, and Argentina.

Binder: The 1962-63 disappearance of Connecticut Valley binder types 51-52 is estimated at 7.7 million pounds--up some from the record low of a year earlier. The increase is in Connecticut Valley Broadleaf type 51. Domestic use of this type may be up about three-fourths of a million pounds. Exports are small and little different than a year earlier. Domestic use of Havana Seed type 52 may be up a little but this is offset by a decline in exports. West Germany took about the same as a year earlier but the Canary Islands took much less than in 1961-62.

Based on reported stocks data, type 51 is the second most important type used in binder sheet. However, type 51 as a constituent of binder sheet has declined in the past 4 years and the relative position of type 52 for this purpose has dropped sharply.

The 1962-63 disappearance of Wisconsin cigar types 54-55 is estimated at about 20 million pounds--nearly all of it for domestic use. Indications are that domestic use of Southern Wisconsin type 54 will be about 8 million pounds--nearly 1 million below a year earlier. However, domestic use of Northern Wisconsin type 55 at 12 million pounds in 1962-63 may be up $1-1\frac{1}{2}$ million pounds from the long-time low of 1961-62. Exports of Wisconsin tobacco have dropped sharply and seem likely to be only about a quarter of a million pounds in the 1962-63 marketing year. East Germany, the principal outlet in 1961-62, has taken only about one-half as much this year as last.

Wisconsin type 55 as a constituent of binder sheet continues at a fairly stable level; practically no Wisconsin type 54 is used in binder sheet.

Wrapper: The July 1962-June 1963 disappearance of shade-grown cigar wrapper types 61-62 was $20\frac{1}{2}$ million pounds--0.9 million less than the record high of 1961-62. The drop was due mainly to the decrease in exports from the high of a year earlier. Domestic use of Connecticut Valley type 61 at 9.2 million pounds was a little larger than in 1961-62 but domestic use of Georgia-Florida type 62 at $6\frac{1}{2}$ million pounds was down a little from the record high of a year earlier.

Exports of types 61 and 62 in July 1962-June 1963 declined 15 and 19 percent, respectively, from a year earlier. Of Connecticut Valley type 61, West Germany, the leading outlet took a sixth less than a year earlier and Canada, third ranking outlet, took nearly a fifth less. There was a moderate decline in type 61 exports to the Canary Islands and a drastic drop in those going to East Germany, but the United Kingdom nearly doubled its takings. Of Georgia-Florida

Table 29.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
			Pennsylvania Seedleaf (type 41)				
Average:							
1947-49	54.6	101.4	156.0	48.8	47.8	1.0	27.7
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	55.8	122.9	178.7	*50.0			23.5
1963 2/	50.8	*128.7	*179.5				
			Ohio, Miami Valley (types 42-44)				
Average:							
1947-49	10.2	24.5	34.7	8.7	8.7		26.3
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.4	20.2	27.6	*6.5	*6.5		28.4
1963 2/	6.4	*21.1	*27.5				
			Puerto Rico (type 46)				
Average:							
1947-49	26.4	65.0	91.4	34.0	29.8	4.2	24.8
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	27.6	42.4	70.0	26.2	25.8	.4	32.2
1960	27.1	43.8	70.9	27.6	27.5	.1	34.2
1961	30.4	43.3	73.7	32.1	32.1	neg.	37.2
1962	35.5	41.6	77.1	32.1			
1963 2/	3/ 34.0	45.0	79.0				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Production quota for crop to be planted late this year. *Preliminary estimates.

Table 30.--Cigar binder tobacco types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
			Connecticut Valley Broadleaf (type 51)				
Average: 1947-49	14.4	28.5	42.9	14.7	12.4	2.3	54.7
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961	3.1	19.4	22.5	3.7	3.6	.2	43.3
1962	2.8	18.8	21.6	*4.5	*4.4	*.1	53.5
1963 2/	2.8	*17.1	*19.9				
			Connecticut Valley Havana Seed (type 52)				
Average: 1947-49	14.8	18.5	33.3	11.9	9.1	2.8	59.2
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962	2.4	11.0	13.4	*3.2	*2.4	* .8	42.6
1963 2/	2.0	*10.2	*12.2				
			Total Connecticut Valley (types 51-52)				
Average: 1947-49	29.2	47.0	76.2	26.6	21.5	5.1	56.9
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	9.0	8.1	.9	42.6
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962	5.2	29.8	35.0	*7.7	*6.8	* .9	48.5
1963 2/	4.8	*27.3	*32.1				

1/ Year beginning October 1. 2/ Subject to revision. * Preliminary estimates.

Table 31.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic	Disappearance 1/ Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
			Southern Wisconsin (type 54)				
Average:							
1947-49	13.4	38.3	51.7	12.7	12.5	0.2	22.5
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0			
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962	8.7	23.3	32.0	*8.0	*8.0	neg.	29.3
1963 2/	8.0	*24.0	*32.0				
			Northern Wisconsin (type 55)				
Average:							
1947-49	19.6	36.3	55.9	18.5	17.5	1.0	28.8
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962	10.9	27.8	38.7	*12.2	*12.0	* .2	29.1
1963 2/	10.1	*26.5	*36.6				
			Total Wisconsin types (54-55)				
Average							
1947-49	33.0	74.6	107.6	31.2	30.0	1.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	93.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962	19.6	51.1	70.7	*20.2	* 20.0	* .2	29.2
1963 2/	18.1	*50.5	*68.6				

1/ Year beginning October 1.
2/ Subject to revision.
*Preliminary estimates .

type 62, West Germany, the leading outlet, took only a little less than a year earlier, but East German takings dropped sharply below the relatively large amount of a year earlier. The Netherlands also got much less type 62 in 1962-63 than in 1961-62, but more went to Sweden.

Connecticut Valley wrapper type 61 is the third ranking constituent of binder sheet, but its relative position as a constituent has declined sharply in the last 2 years. Practically no Georgia-Florida type 62 is indicated in stocks data on binder sheet tobacco.

1962-63 Supplies

Filler: Pennsylvania filler (type 41) acreage is estimated to be 6½ percent below the level of the previous 4 years when it was virtually constant. Average yields per acre, indicated as of September 1, were down 3 percent and the crop is expected to be about 50¾ million pounds--9 percent below 1962. Carryover on October 1 is estimated at 128¾ million pounds--up about 6 million from last October 1 and the most in 11 years. Total supply for 1963-64 at about 179½ million pounds would be a little larger than for 1962-63 and the largest since 1951-52.

Ohio filler (types 42-44) acreage is about 5 percent lower than 1962 and as of September 1, average yields per acre were indicated to be 9 percent lower than last year. The crop may be near 6.4 million pounds--about 1 million less than in 1962 and the smallest in 5 years. Carryover on October 1 is estimated at around 21 million pounds and together with this year's crop will provide a total 1963-64 supply of 27½ million pounds--practically the same as for 1962-63 but moderately above each of the previous 4 years.

The Puerto Rican filler (type 46) crop will be planted late this year and harvested in early 1964. The 1962 crop, harvested in early 1963 at 35½ million pounds, was 17 percent larger than a year earlier and the largest in many years. Stocks of Puerto Rican tobacco owned by dealers and manufacturers on July 1, 1963, totaled 60 million pounds--about 8½ million larger than a year earlier. The quota announced by the Commonwealth Government of Puerto Rico calls for about 34 million pounds to be produced in the coming season.

Foreign Cigar Tobacco: Stocks of Cuban tobacco on July 1, 1963, at 20.6 million pounds (unstemmed weight), were down two-fifths from a year earlier and less than half as much as 2 years earlier; however, stocks still moderately exceeded the volume normally held in the United States in 1956-58. (See table 20). Stocks of Cuban wrapper, at about 800,000 pounds (unstemmed weight), were only about one-half as much as a year earlier. Stocks of Philippine tobacco, at 14.4 million pounds on July 1, were 7 percent lower than the record level of a year earlier. Stocks of other foreign grown cigar leaf on July 1, 1963, totaled 31.8 million pounds (unstemmed weight), 44 percent more than a year earlier. (See page 41 for the July 1, 1963, quantities by countries of origin.) The total foreign-grown cigar tobacco stocks as of July 1, 1963, were constituted as follows: Cuban, 31 percent; Philippine, 22 percent; Colombian, 15½ percent; Dominican, 13½ percent; Brazilian, 7 percent; Paraguayan, 4 percent; Indonesian, 3 percent; and all remaining, about 4 percent.

During January-July 1963, about 25 million pounds (declared weight) of foreign cigar tobacco arrived in the United States--9 percent less than in the same months of 1962. (See table 21.) In early 1962, Cuba was still a supplier and last year furnished nearly $6\frac{1}{2}$ million pounds before the embargo announced in early February came into effect. Making allowance for this, imports arriving here from all sources other than Cuba rose 19 percent, comparing the first 7 months of 1963 with the same period of 1962. Cigar tobacco arriving from the Philippine Republic and Colombia totaled 8.7 and 6.5 million pounds, respectively--each a little above a year earlier. Cigar tobacco from Dominican Republic and Brazil totaled 4.1 and 3.9 million pounds in January-July 1963--up sharply from a year earlier. Also, tobacco arrivals from Paraguay and Mexico rose sharply, though the volume was considerably smaller than from the countries mentioned above.

Binder: The 1963 acreage of Connecticut Valley type 51 is up a little and type 52 is down a little from a year earlier. Average yields per acre for both types were indicated on September 1 to be below last year. The Connecticut type 51 crop, at about 2.8 million pounds, about equals last year's record low and the type 52 crop, at about 2 million pounds, is a sixth lower than in 1962.

Estimated carryover of Connecticut Valley Broadleaf (type 51) on October 1 is a little over 17 million pounds--about $1\frac{3}{4}$ million below a year earlier. This carryover plus the new crop will provide a total 1963-64 supply of nearly 20 million pounds--a new low. Estimated carryover of Havana Seed (type 52) on October 1 is near $10\frac{1}{4}$ million pounds--$\frac{3}{4}$ million lower than a year ago. This carryover plus the small 1963 crop will provide a total 1963-64 supply of about $12\frac{1}{4}$ million pounds--also a new low.

The 1963 acreages of Southern Wisconsin (type 54) and Northern Wisconsin (type 55) are both a little lower than in 1962 and lowest for several years. Indicated yields as of September 1 were lower than those of 1962. The Southern Wisconsin crop, estimated at nearly 8 million pounds, is 8 percent smaller than last year and the smallest in 6 years. Estimated carryover of 24 million pounds on October 1 plus the new crop will provide a total 1963-64 supply of type 54 tobacco of about 32 million pounds--practically the same as for 1962-63. The Northern Wisconsin crop, at a little over 10 million pounds, is about 7 percent below 1962 and the smallest in many years. Estimated carryover of $26\frac{1}{2}$ million pounds is about $1\frac{1}{4}$ million below a year ago; the carryover plus the new crop will provide a total supply of around $36\frac{1}{2}$ million pounds for 1963-64--about 2 million lower than in each of the preceding two years.

Wrapper: Acreage of Connecticut Valley wrapper (type 61) is indicated to be slightly below 1962, and as of September 1 yields per acre were indicated to be below last year's record high. The crop may total about $11\frac{1}{2}$ million pounds--3 percent under 1962. The carryover of type 61 is nearly $13\frac{3}{4}$ million pounds, so that total supply for 1963-64 is almost $25\frac{1}{4}$ million pounds. This is about $\frac{1}{2}$ million pounds below 1962-63 and the smallest supply in 4 years.

Acreage of Georgia-Florida wrapper (type 62) is indicated to be down a little from 1962 and smallest in 5 years. About 7 percent of the 1962, and 11 percent of the 1963 acreage reported for this type was indicated for fire-cured

Table 34.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic	Disappearance 1/ Exports	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
	Connecticut Valley Shade-grown (type 61)						
Average 1947-49	10.2	11.0	21.0	8.9			268.3
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	15.1	27.1	11.4	8.9	2.5	190.0
1961	10.3	15.7	26.0	12.2	8.9	3.3	235.0
1962	11.9	13.8	25.7	12.0	9.2	2.8	235.0
1963 2/	11.5	13.7	25.2				
	Georgia-Florida Shade-grown (type 62)						
Average 1947-49	5.2	3.8	9.1	4.3			235.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.6	16.9	6.5	5.5	1.0	200.0
1961	8.8	10.4	19.2	9.2	6.6	2.6	190.0
1962	7.4	10.0	17.4	8.5	6.4	2.1	200.0
1963 2/	6.8	8.9	15.7				
	Total Shade-grown (types 61-62)						
Average 1947-49	15.3	14.8	30.1	13.3	11.2	2.1	257.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	22.7	44.0	17.9	14.4	3.5	194.0
1961	19.1	26.1	45.2	21.4	15.5	5.9	214.0
1962	19.3	23.8	43.1	20.5	15.6	4.9	222.0
1963 2/	18.3	22.6	40.9				

1/ Year beginning July 1.
2/ Subject to revision.

wrapper. As of September 1, yields per acre for the Georgia-Florida wrapper were indicated to be nearly 6 percent below last year and lowest in 5 years; the crop may be near 6.8 million pounds--8 percent less than in 1962 and smallest since 1958. Carryover on July 1 was 8.9 million pounds--11 percent below a year earlier but still third highest on record. The total 1963-64 supply (includes carryover and new crop) at 15.6 million pounds is about $1\frac{3}{4}$ million pounds below 1962-63 and the smallest in 4 years.

1964 Marketing Quotas and Acreage Allotments

By February 1, 1964, the 1964 marketing quotas and acreage allotments will be announced for (1) Connecticut Valley binder types 51-52 and (2) Ohio filler types 42-44 and binder types 53-55 (principally Wisconsin). Growers of these types voted in two separate referendums in February 1963 in favor of continuing quotas on their 1963, 1964, and 1965 crops.

A quota has never been in effect on Pennsylvania filler type 41. Pennsylvania growers disapproved quotas in February 1962; under legal provisions applying to this type, no quota will be in effect on the 1964 crop unless at least one-fourth of the growers engaged in production this year petition the Secretary of Agriculture prior to November 10 for another referendum and approval is voted. Except for this possibility, the next referendum for this type will not be held until early 1965 when the applicability of quotas to the 1965, 1966, and 1967 crops will be voted on.

For Puerto Rican tobacco (type 46), a quota has been applied by the Commonwealth Government of Puerto Rico for many years.

Price Supports

For the kinds of tobacco under Federal marketing quotas and for Puerto Rican tobacco type 46, price support is mandatory. The 1963 levels of price support are 1 percent higher than last season. If the parity index (prices paid by farmers, including interest, taxes, and farm wage rates) remains near its present level for the rest of the year, the overall support levels for the eligible kinds of cigar tobacco in 1964 will be about 1 percent above 1963 levels.

The Tobacco Situation is published in March, June, September, and December.

The next issue is scheduled for release on December 30, 1963

Table 33.--Cigar tobacco types: Government price support levels 1960-63, and season average prices, 1960-62

Type	1960		1961		1962		1963
	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Puerto Rican, filler type 46	29.7	34.2	29.7	37.2	30.0	2/37.2	30.3
Connecticut Valley Broadleaf binder, type 51	39.6	44.0	39.6	43.3	40.2	53.5	40.4
Connecticut Valley Havana Seed binder, type 52	39.6	42.5	39.6	40.6	39.6	42.6	
Ohio cigar filler, types 42-44	23.4	28.1	23.4	28.3	23.6	28.4	29.2
Southern Wisconsin binder, type 54	26.5	28.0	26.5	28.7	26.8	29.3	
Northern Wisconsin binder, type 55	32.0	30.6	32.0	29.6	32.3	29.1	

1/ From 1961 on, support levels are adjusted to reflect the relative change between the 1959 parity index and the average of the parity index for the 3 most recent calendar years.
2/ Tentative

Note: Price support for Pennsylvania Havana Seed type 53 for 1960-61 was 26.5 cents and for 1962, 26.8 cents per pound; 1963 is 27.0.

Table 34.--Cigar tobacco price support operations, quantities placed under loan, 1950-62, and remaining under loan Aug. 31, 1963

Crop year	Quantities placed under loan						
	Puerto Rican type 46	Ohio types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	0.3	2.6	0.1	3.7	1.4	0.6	1/11.5
1951	1.1	.6	1.7	2.7	4.8	.1	1/11.0
1952	1.4	No Price Supports 2/					1.4
1953	1.4	2.7	3/	1.8	2.4	1.9	1/10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	3/	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	1/ 7.1
Total	21.4	8.5	19.0	25.0	16.3	20.0	1/113.1
	Remaining under loan as of Aug. 31, 1963						
1955	0	0	.9	0	0	.3	1.2
1956	0	0	.2	0	0	3/	.2
1957	0	0	.7	.2	0	0	.9
1958	0	0	.1	3/	0	0	.1
1959	0	0	4/ .6	.1	0	0	.7
1960	0	0	1.4	2.4	1.9	1.7	7.4
1961	0	0	.8	1.8	1.3	3.9	7.8
1962	5/	.1	.2	1.4	.2	4.2	6.1
Total	5/	.1	4.9	5.9	3.4	10.1	24.4

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, 1953 and 1962 crops of New York and Pennsylvania Havana seed (type 53). 2/ Price support not in effect because marketing quotas were disapproved by growers. 3/ Less than 50,000 pounds. 4/ Substantially all of these stocks have been sold under deferred contracts. 5/ The 0.7 million pounds placed under loan has been sold.

Table 35.--Tobacco leaf represented in stocks of tobacco sheet on specified dates 1/

Types	1962		1963		
	July 1	October 1	January 1	April 1	July 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Flue-cured (type 11-14)					
Unstemmed	0	147	176	158	105
Stemmed	4,049	3,367	3,501	3,844	3,821
Subtotal	4,049	3,514	3,677	4,002	3,926
Burley (type 31)					
Unstemmed	0	0	0	0	0
Stemmed	1,172	1,469	1,602	1,849	1,865
Subtotal	1,172	1,469	1,602	1,849	1,865
Foreign grown (type 90)					
Unstemmed	223	151	141	160	155
Stemmed	493	438	442	477	495
Subtotal	716	589	583	637	650
Total for cigarettes (including smoking tobacco)					
Unstemmed	223	298	332	318	260
Stemmed 2/	5,746	5,300	5,565	6,207	6,215
Subtotal 2/	5,969	5,598	5,897	6,525	6,475
Pennsylvania (type 41)					
Unstemmed	61	69	47	31	30
Stemmed	572	584	681	670	789
Subtotal	633	653	728	701	819
Connecticut Valley (type 51)					
Unstemmed	542	731	551	539	548
Stemmed	300	109	78	82	81
Subtotal	842	840	629	621	629
Connecticut Valley (type 52)					
Unstemmed	217	190	284	181	139
Stemmed	0	0	0	0	0
Subtotal	217	190	284	181	139
Northern Wisconsin (type 55)					
Unstemmed	186	229	130	233	249
Stemmed	35	28	5	1	7
Subtotal	221	257	135	234	256
Connecticut Valley (type 61)					
Unstemmed	86	105	53	55	33
Stemmed	260	254	265	272	248
Subtotal	346	359	318	327	281
Cuba-Havana (type 81)					
Unstemmed	68	78	0	0	0
Stemmed	17	21	134	138	115
Subtotal	85	99	134	138	115
Total for cigars 3/					
Unstemmed	1,218	1,414	1,091	1,064	1,007
Stemmed	1,365	1,191	1,376	1,423	1,520
Subtotal	2,583	2,605	2, 67	2,487	2,527
Grand total for all types	8,552	8,203	8,364	9,012	9,002

1/ Does not include tobacco stems added in manufacturing process.
2/ Includes very small quantity of Maryland (type 32).
3/ Includes small quantities of mostly other cigar types not separately listed.

Table 36.--Tobacco: Acreage and yield per acre in the United States, by types, for specified periods

Period	Flue-cured 11-14	Burley 31	Maryland 32	Fire-cured: Va. 21	Fire-cured: Ky-Tenn 22-23	Dark air-cured 35-36	Va. sun-cured 37	Cigar: Filler 41	Cigar: Filler 42-44	Cigar: Filler 46	Cigar: Binder 51-52	Cigar: Binder 54-55	Cigar: Wrapper 61-62	Total 1/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average: 1947-49	993.5	433.3	48.0	12.0	56.9	29.2	3.2	36.1	6.8	33.5	18.2	22.5	14.8	1,709.6
1950	958.4	408.3	50.0	9.8	43.1	25.5	3.2	37.3	7.8	34.0	18.9	22.1	13.7	1,633.0
1951	1,110.1	456.1	53.0	10.0	39.0	23.0	3.5	34.9	4.9	33.8	15.3	15.8	13.6	1,813.7
1952	1,111.3	463.5	50.0	9.8	37.6	22.9	3.4	23.7	5.7	35.6	15.1	15.1	13.1	1,807.4
1953	1,021.8	419.7	45.0	9.9	38.4	22.3	3.7	25.8	4.7	40.5	14.6	14.3	12.3	1,673.4
1954	1,042.2	420.9	50.0	10.0	42.0	21.8	4.1	29.2	4.6	36.9	14.4	15.0	13.0	1,704.4
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	35.1	13.4	14.3	12.9	1,530.5
1956	875.3	309.8	43.7	8.5	38.5	19.3	3.1	29.0	3.9	25.5	7.2	11.8	13.3	1,389.0
1957	662.7	306.6	37.0	6.9	24.7	14.5	2.6	29.0	3.6	25.8	4.3	11.6	13.1	1,148.2
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	23.5	2.9	13.0	12.9	1,101.4
1959	693.3	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	25.6	4.5	13.9	14.0	1,177.6
1960	691.8	295.7	37.5	7.3	25.9	13.0	1.8	31.0	4.3	26.8	3.8	14.6	14.6	1,168.7
1961	698.5	318.9	40.0	7.5	27.9	13.5	2.1	31.0	4.6	27.6	2.9	13.7	13.4	1,202.0
1962	729.8	338.6	41.5	7.6	28.5	13.9	2.2	31.0	4.2	27.7	2.6	12.1	13.2	1,253.3
1963 2/	693.6	339.0	42.0	7.5	28.7	14.4	2.3	30.0	4.1	n.a.	2.6	11.2	13.1	3/1,216.6
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average: 1947-49	1,186	1,267	790	1,088	1,128	1,133	942	1,510	1,504	790	1,607	1,467	1,033	1,196
1950	1,312	1,222	800	1,310	1,054	983	1,120	1,500	1,350	750	1,670	1,446	1,130	1,259
1951	1,309	1,355	785	1,340	1,183	1,204	1,145	1,610	1,480	831	1,676	1,473	1,098	1,301
1952	1,229	1,403	805	1,250	1,223	1,314	1,100	1,600	1,550	963	1,620	1,447	1,124	1,267
1953	1,245	1,345	900	930	1,034	1,060	790	1,480	1,400	842	1,833	1,400	1,203	1,251
1954	1,261	1,586	875	1,060	1,229	1,395	900	1,670	1,750	921	1,754	1,530	1,264	1,336
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	855	1,643	1,475	1,213	1,453
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	941	1,849	1,716	1,290	1,583
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,035	1,940	1,709	1,442	1,476
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,089	1,867	1,682	1,286	1,600
1959	1,559	1,669	780	1,320	1,560	1,465	1,040	1,725	1,770	1,062	1,681	1,502	1,325	1,533
1960	1,808	1,639	925	1,220	1,411	1,403	995	1,700	1,535	1,011	1,802	1,431	1,460	1,686
1961	1,801	1,820	970	1,300	1,552	1,525	1,045	1,725	1,665	1,101	1,856	1,640	1,429	1,671
1962	1,930	1,992	950	1,255	1,566	1,619	1,040	1,800	1,760	1,282	1,975	1,621	1,464	1,870
1963 2/	1,882	2,023	800	1,050	1,681	1,649	800	1,750	1,600	n.a.	1,854	1,550	1,416	1,843

1/ Total includes types 56, 24, and 53 in various years prior to 1953. 2/ Preliminary. 3/ Assumes type 46 acreage the same as for 1962. n.a. Not available.

Table 37.--Federal and State tax revenues from tobacco products for specified periods

Fiscal year	Federal				State	Total Federal and State	Local Govt's. 5/	Total Federal State and local Govt's. 5/
	Cigarettes 1/	Cigars 2/	Chewing, smoking and snuff	Total 3/	All tobacco products 4/			
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average:								
1930-34	343	16	64	424	19	443		
1935-39	457	13	61	532	50	582		
1940-44	719	19	58	800	127	927		
1945	837	37	57	932	145	1,077		
1946	1,073	41	49	1,166	198	1,364		
1947	1,145	48	44	1,238	245	1,483		
1948	1,208	47	44	1,300	337	1,637		
1949	1,233	46	43	1,322	388	1,710		
1950	1,243	42	42	1,328	414	1,742		
1951	1,294	44	41	1,380	430	1,810		
1952	1,474	45	28	1,565	449	2,014		
1953	1,587	46	21	1,655	469	2,124		
1954	1,514	46	20	1,580	464	2,044		
1955	1,504	46	20	1,571	460	2,031	49	2,080
1956	1,549	45	19	1,613	516	2,129	42	2,171
1957	1,611	45	18	1,674	558	2,232	48	2,280
1958	1,668	47	18	1,734	619	2,353	50	2,403
1959	1,738	51	17	1,807	677	2,484	53	2,537
1960	1,864	50	17	1,932	923	2,855	65	2,920
1961	1,924	50	17	1,991	1,001	2,992	76	3,068
1962	1,957	50	17	2,026	1,075	3,101	72	3,173
1963 6/	2,011	50	17	2,079	1,124	3,203	7/	7/

1/ Includes large cigarettes.
2/ Includes small cigars and amounts on cigars from Puerto Rico covered into the Treasury of Puerto Rico.
3/ Includes cigarette papers and tubes, floor taxes, penalties, etc..
4/ Includes collections in Hawaii beginning 1955 and in Alaska beginning 1957.
5/ Comparable estimates not available for years prior to 1955.
6/ Preliminary.
7/ Local government collections for fiscal 1963 not yet available.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 38.--Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-62, by quarters 1961-63

Period	Net sales	Net income		Profit			
				Per dollar of sales		As percentage of stockholders equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1956	3,959	413	197	10.4	5.0	24.6	11.7
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
1960	5,139	577	281	11.2	5.5	27.5	13.4
1961	5,300	630	303	11.9	5.7	28.3	13.6
1962	5,340	634	306	11.9	5.7	27.1	13.1
Quarterly							
1961							
1	1,231	138	65	11.2	5.3	25.5	12.0
2	1,364	162	78	11.9	5.7	29.2	14.1
3	1,359	167	80	12.3	5.9	29.8	14.3
4	1,346	163	80	12.1	5.9	28.9	14.2
1962							
1	1,237	140	67	11.3	5.4	24.5	11.7
2	1,357	157	75	11.6	5.5	27.0	12.9
3	1,385	169	81	12.2	5.8	28.6	13.7
4	1,361	168	83	12.3	6.1	28.3	14.0
1963							
1	1,249	138	66	11.0	5.3	23.1	11.1
2	1,415	170	82	12.0	5.8	28.1	13.6

NOTE: The 1947-50 data lack strict comparability with the series beginning 1951.
Compiled and adapted from Quarterly Financial Report for Manufacturing Corporation, Federal Trade Commission Securities and Exchange Commission.

STATISTICAL SUMMARY

Item	Unit or base period	1962 July	1962 August	1963 June	1963 July	1963 August	Last data as percentage of a year earlier
Average price at auctions							
Flue-cured	Ct. per lb.	55.1	58.2	Closed	46.2	56.7	97
Burley	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Maryland	Ct. per lb.	55.3	Closed	52.2	48.2	Closed	94
Virginia fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Virginia sun-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Parity prices 1/							
Flue-cured	Ct. per lb.	68.9	68.9	72.8	73.0	72.8	106
Burley	Ct. per lb.	73.2	73.2	77.1	77.4	77.1	105
Maryland	Ct. per lb.	64.7	64.7	69.4	69.6	69.4	107
Virginia fire-cured	Ct. per lb.	45.4	45.4	47.6	47.7	47.6	105
Ky.-Tenn. fire-cured	Ct. per lb.	47.0	47.0	48.8	49.0	48.8	104
Ky.-Tenn. dark air-cured	Ct. per lb.	42.1	42.1	44.5	44.6	44.5	106
Virginia sun-cured	Ct. per lb.	42.1	42.1	44.5	44.6	44.5	106
Pa. cigar filler	Ct. per lb.	32.6	32.6	33.6	33.7	33.6	103
Conn. Valley cigar binder	Ct. per lb.	48.8	48.8	51.9	52.1	51.9	106
Wis. binder and Ohio filler	Ct. per lb.	35.4	35.4	37.3	37.4	37.3	105
Puerto Rican filler	Ct. per lb.	37.2	37.2	39.8	39.9	39.8	107
Parity index 2/	1910-14=100	305	305	311	312	311	102
Industrial production index 3/	1957=100	119	119	126	127	126	106
Employment	Mil.	69.6	69.8	70.3	70.9	70.6	101
Personal income 4/	Bil. dol.	443.5	444.6	462.6	464.2	464.9	105

		1962 June	1962 July	1963 May	1963 June	1963 July	
Taxable removals							
Cigarettes	Bil.	41.3	39.4	48.2	41.6	42.4	108
Cigars and cigarillos	Mil.	535.5	520.0	644.3	508.7	566.1	109
Smoking tobacco	Mil. lb.	5.7	4.9	6.0	5.0	5.1	104
Chewing tobacco	Mil. lb.	5.7	5.5	5.8	5.3	5.6	102
Snuff	Mil. lb.	2.9	2.4	2.8	2.8	2.4	100
Accumulated from Jan. 1							
Cigarettes	Bil.	244.6	284.0	211.5	253.1	295.5	104
Cigars and cigarillos	Mil.	3,103.9	3,623.9	2,619.6	3,128.3	3,694.4	102
Smoking tobacco	Mil. lb.	34.8	39.6	28.5	33.6	38.6	97
Chewing tobacco	Mil. lb.	31.5	37.0	26.5	31.8	37.4	101
Snuff	Mil. lb.	16.3	18.7	13.2	15.9	18.3	98
Tax-exempt removals							
Cigarettes	Bil.	3.5	3.2	4.1	3.3	3.3	103
Exports	Bil.	2.1	1.9	2.6	1.9	2.0	105
Cigars and cigarillos	Mil.	10.4	9.8	11.4	11.1	11.2	114
Smoking tobacco	Mil. lb.	.3	.2	.2	.2	.2	100
Chewing tobacco	Mil. lb.	.1	*	.1	.1	*	---
Accumulated from Jan. 1							
Cigarettes	Bil.	20.6	23.8	16.8	20.0	23.4	98
Exports	Bil.	12.1	14.0	9.4	11.4	13.4	96
Cigars and cigarillos	Mil.	59.8	69.6	59.9	71.0	82.2	118
Smoking tobacco	Mil. lb.	1.2	1.5	.8	1.0	1.2	80
Chewing tobacco	Mil. lb.	.3	.4	.3	.4	.4	100
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	1957-59=100	101.4			109.5		108
Cigarettes, filter tip	Jan.1959=100	100.0			100.0		100
Cigars	1957-59=100	100.4			100.4		100
Smoking tobacco	1957-59=100	113.7			117.1		103
Plug chewing tobacco	1957-59=100	108.5			116.6		107
Snuff	1957-59=100	107.4			109.4		102
Consumer price indexes (urban) 6/							
Cigarettes, reg. nonfilter	1957-59=100	109.5			115.9		106
Cigarettes, filter tip	Mar.1959=100	108.7			112.1		103
Cigars	1957-59=100	100.0			99.9		100
Imports of tobacco							
Cigarette leaf	Mil. lb.	10.1	9.9	11.7	10.7	11.2	113
Cigar tobacco 7/	Mil. lb.	2.6	2.4	3.4	3.3	4.4	183
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	64.3	74.2	53.4	64.1	75.3	101
Cigar tobacco 7/	Mil. lb.	24.1	26.5	19.8	23.1	27.5	104

See footnotes at end of Statistical Summary.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1962 June	1962 July	1963 May	1963 June	1963 July	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	34.2	30.3	24.3	35.1	29.7	98
Burley	Mil. lb.	6.7	5.4	4.0	6.7	2.2	41
Maryland	Mil. lb.	.4	.8	.9	.9	1.9	238
Virginia fire- & sun-cured	Mil. lb.	.4	.4	*	.2	.2	50
Ky.-Tenn. fire-cured	Mil. lb.	.6	.6	1.0	1.7	1.7	283
Ky.-Tenn. dark air-cured	Mil. lb.	.1	.1	*	.1	.3	300
Black Fat	Mil. lb.	.4	.3	.6	.4	.3	100
Cigar wrapper	Mil. lb.	.7	.5	.4	.5	.6	120
Connecticut binder	Mil. lb.	*	*	*	*	*	---
Wisconsin binder	Mil. lb.	0	*	0	0	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	485.4	30.3	396.8	431.9		89
Burley	Mil. lb.	32.9	38.3	34.1	40.8	43.0	112
Maryland	Mil. lb.	7.8	8.5	6.8	7.7	9.6	113
Virginia fire- & sun-cured	Mil. lb.	3.9	4.3	4.3	4.5	4.7	109
Ky.-Tenn. fire-cured	Mil. lb.	23.2	23.8	12.3	14.0	15.7	66
Ky.-Tenn. dark air-cured	Mil. lb.	1.3	1.5	.7	.7	1.0	67
Black Fat	Mil. lb.	2.7	3.0	2.7	3.0	3.3	110
Cigar wrapper	Mil. lb.	5.9	.5	4.5	4.9		83
Connecticut binder	Mil. lb.	1.0	1.0	.7	.8	.8	80
Wisconsin binder	Mil. lb.	.5	.5	.2	.2	.2	40
Exports of manufactured tobacco in bulk	Mil. lb.	.7	.5	.8	.7	1.2	240
Accumulated from Jan. 1	Mil. lb.	3.7	4.3	4.1	4.8	6.0	140

		Quarterly data				
		1962		1963		
		Apr.-June	July-Sept.	Apr.-June	July-Sept.	
Tobacco stocks--1st of quarter 9/						
Domestic types (farm-sales weight)						
Flue-cured	Mil. lb.	2,368	2,081	2,564	2,282	110
Burley	Mil. lb.	1,409	1,270	1,520	1,386	109
Maryland	Mil. lb.	53	80	62	84	105
Fire-cured	Mil. lb.	130	122	136	125	102
Dark air- and sun-cured	Mil. lb.	72	66	74	69	105
Cigar filler	Mil. lb.	210	211	220	225	107
Cigar binder	Mil. lb.	94	87	91	84	97
Cigar wrapper	Mil. lb.	28	24	27	23	96
Under Government loan 10/	Mil. lb.	517	486	719	686	141
Tobacco sheet 11/						
Cigarette types	Mil. lb.	6.3	6.0	6.5	6.5	108
Cigar types	Mil. lb.	2.2	2.6	2.5	2.5	96
Foreign types (unst. equiv.)						
Cigarette and smoking	Mil. lb.	294	302	303	298	99
Cigar	Mil. lb.	75	72	67	67	93
Tobacco outlets 12/						
Seasonally adjusted data, annual rates, for charts, p. 2						
Cigarettes						
Production	Bil.	531	535	560	546	102
Taxable removals	Bil.	489	493	518	511	104
Cigar production	Bil.	7.48	7.11	7.31	7.44	105
Smoking production	Mil. lb.	70.8	67.1	69.4	67.3	100
Chewing production						
Scrap	Mil. lb.	32.3	32.8	33.8	32.9	100
Plug and other	Mil. lb.	32.3	31.3	32.3	30.2	96
Snuff production	Mil. lb.	33.0	33.9	33.4	33.7	99
Exports of leaf (farm-sales weight)						
Total	Mil. lb.	646	565	654	560	99
Flue-cured	Mil. lb.	562	453	555	458	101

1/ Based on data for month specified. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.
* Less than 50,000 pounds.

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